Families, Poverty, Work and Care

A review of the literature on lone parents and low-income couple families with children

Jane Millar and Tess Ridge

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<th>Abbreviation</th>
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<tr>
<td>AFDC</td>
<td>Aid to Families with Dependent Children</td>
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<td>BHPS</td>
<td>British Household Panel Survey</td>
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<tr>
<td>CASE</td>
<td>Centre for the Analysis of Social Exclusion</td>
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<tr>
<td>DfEE</td>
<td>Department for Education and Employment</td>
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<td>DfES</td>
<td>Department for Education and Skills</td>
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<tr>
<td>DGV</td>
<td>Directorate General V, European Commission</td>
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<tr>
<td>DSS</td>
<td>Department of Social Security</td>
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<td>DWP</td>
<td>Department for Work and Pensions</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EITC</td>
<td>Earned Income Tax Credit</td>
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<td>ESRC</td>
<td>Economic and Social Research Council</td>
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<td>EU</td>
<td>European Union</td>
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<td>FACS</td>
<td>Families and Children Survey</td>
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<td>FC</td>
<td>Family Credit</td>
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<td>FRS</td>
<td>Family Resources Survey</td>
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<tr>
<td>GHS</td>
<td>General Household Survey</td>
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<tr>
<td>HBAI</td>
<td>Households Below Average Income</td>
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<tr>
<td>JOBS</td>
<td>Job Opportunities and Basic Skills Training</td>
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<tr>
<td>ILO</td>
<td>International Labour Office</td>
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<td>IS</td>
<td>Income Support</td>
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<tr>
<td>JET</td>
<td>Jobs, Education, Training</td>
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<td>JSA</td>
<td>Jobseeker’s Allowance</td>
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<td>LA</td>
<td>Local Authority</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<td>MDRC</td>
<td>Manpower Demonstration Research Corporation</td>
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<td>MFIP</td>
<td>Minnesota Family Independence Program</td>
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<td>NCDS</td>
<td>National Child Development Study</td>
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<td>NDLP</td>
<td>New Deal for Lone Parents</td>
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<td>NEWWS</td>
<td>National Evaluation of Welfare to Work Strategies</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>ONS</td>
<td>Office of National Statistics</td>
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<td>PRILIF</td>
<td>Programme of Research into Low-Income Families</td>
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<td>PRWORA</td>
<td>Personal Responsibility and Work Opportunity Reconciliation Act</td>
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<td>PSE</td>
<td>Poverty and Social Exclusion Survey</td>
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<td>PSI</td>
<td>Policy Studies Institute</td>
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<td>SOLIF</td>
<td>Survey of Low-Income Families</td>
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<td>SSAC</td>
<td>Social Security Advisory Committee</td>
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<tr>
<td>TANF</td>
<td>Temporary Assistance to Needy Families</td>
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<td>W2</td>
<td>Wisconsin Works</td>
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SUMMARY

Chapter 1: Introduction: reviewing the literature
• The main aims of this review are to provide a critical summary of recent research on families, focusing on lone parents and low-income couples; to review evidence about what works in respect of policies intended to promote employment among these families; to identify gaps in our knowledge about the needs and circumstances of such families.
• The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes.
• This review is intended to examine the literature across a very broad range of topics. There are eight substantive chapters (plus an introduction and final chapter) and each of these tackles a large range of research. This review is therefore necessarily selective and points to other reviews and sources of information on specific areas as appropriate.
• In line with DWP interests the review makes comparisons between lone parents and low-income two-parent families, but also looks at other comparisons where relevant.

Chapter 2: Understanding family trends in the UK
• The second half of the 20th century witnessed declining rates of first marriage, increasing rates of divorce, increasing rates of cohabitation, growing numbers of step-families and increases in the ages at which people had children, if they had them at all.
• These trends have occurred for a range of structural, cultural and attitudinal reasons. They form part of the change from an industrial to a post-industrial society.
• Family life is much less stable now than it was in the 1950s. People move in and out of different living arrangements. Researchers have sought to capture this but are increasingly hampered by the complexity of people’s lives.
• There is some evidence that the duration of lone motherhood is increasing – particularly for single lone mothers. There is also evidence that cohabiting couples have much shorter relationships than married couples – but it is often difficult to compare like-for-like in this field of research.
• A typical lone parent is in her mid 30s with one (or perhaps two) children. She is separated from a partner and living in rented accommodation. But there is much diversity among lone parents and so it is perhaps a little misleading to concentrate too much on ‘typical’ lone parents at the expense of this diversity. Lone parenthood is a stage in the lifecycle rather than a lifelong family form.
Low/moderate-income couples are also a diverse group in relation to marital status, age and family type. We know less about this group than we do about lone parents but further analyses of the SOLIF (Survey of Low-Income Families, now known as FACS, the Families and Children Survey) data will provide more information. SOLIF is a representative study of Britain’s lone parents and low-income couple families with dependent children (see Appendix B for further information about SOLIF (Survey of Low-income Families) and PRILIF (Programme of Research into Low-Income Families).

Among fathers, married men have the highest economic activity rates. Both cohabiting and lone fathers are more likely to be unemployed than are married fathers. Among the mothers, married mothers have the highest rates of economic activity and the lowest unemployment rates. Cohabiting and divorced mothers have very similar patterns of economic activity. Single mothers have the lowest rates of activity and the highest unemployment rates.

Mothers' employment rates vary with qualifications, age, ethnicity, tenure, partner’s status and ages of children. The latter is particularly important, with mothers of pre-school children least likely to be employed. The impact of educational qualifications is particularly important for women with pre-school children and for lone mothers.

Since the mid 1980s there has been a rapid rise in married mothers’ employment rates, especially in full-time jobs and especially among those with pre-school children and with educational qualifications. Lone mothers have not shared in these trends. However the differences in employment rates of lone and married mothers cannot be explained by differences in the characteristics of the two groups. The employment aspirations of lone and married mothers also seem to be very similar.

As women, married and lone mothers share certain factors in common. For example, there is still a gender pay gap between women and men, especially for part-time women workers; and there are substantial pay penalties attached to motherhood. But there is also a growing inequality among women in the labour market with a sharp contrast between those who return to highly-skilled full-time jobs after childbirth and those who have longer breaks, and more part-time working.

Most of the married women who have entered the labour market over the past decade have been married to employed men and so there has been a rise in the proportion of two-earner couples, especially among those with older children. Children themselves may be employed, with half of teenagers having some experience of paid work.

Having two earners is increasingly important for keeping families out of poverty. For lone mothers, who cannot have two earners, in-work benefits play an increasingly important role in supporting family incomes.
Women who become lone parents are less likely to be employed before they became lone parents than are comparable women. However, there is also a substantial degree of continuity with those already working staying in work and those not working staying out of the labour market. Re-partnering is associated with higher levels of employment, although it is not clear which comes first.

Over the seven years of the PRILIF lone-parent cohort, the continuing lone mothers most likely to stay in full-time work were Black Caribbean women, ex-married women, women with one child, and women without pre-school children. Those least likely to enter full-time work were women with young children, women with children with health problems, and women who had high hardship scores.

BHPS data suggest that for men the significant factors predicting movements into work were related to ‘employability’ (e.g. work experience, education) or local labour market conditions (local unemployment rate). For women, both married and lone, age of youngest child played an important role. Working in part-time jobs was associated with moves into full-time work. Among couples, both men and women in workless families were much more likely to move into work themselves if their partner had moved into work.

Several factors influence the chances of families with dependent children experiencing poverty. The evidence shows that lone-parent families are at greater risk of poverty than couple families. Families without a working adult, with a disabled parent or child, and large families are also at risk. Ethnic minority households are particularly at risk of poverty, especially Pakistani and Bangladeshi households.

Durations of poverty can severely undermine families’ capacity to manage their financial and material resources and maintain social participation. Lone-parent families and families claiming sickness and disability benefits can experience long durations of poverty.

Poverty affects families economically, socially, materially and on a personal level. Evidence from qualitative studies show experiences of poor health, poor housing, poor diet, unemployment, financial exclusion and debt.

There is little evidence of financial mis-management, rather changes in circumstances, inadequate incomes, accumulated debts and different approaches to managing incomes place a strain on families’ capacity to manage. Gendered patterns of income receipt and resource distribution within households can also have an impact on financial management and inequalities within families. Health inequalities have a strong socio-economic association, and the effects of poverty are felt throughout the life cycle.
Lone mothers have poorer health overall than couple mothers. Better health in women was associated with employment. Evidence from the PRILIF and SOLIF data show that poor health is concentrated among workless families and people are prevented from seeking work because of the needs of their partners or children with long-term health or disability problems. Poverty in childhood has a severe impact on children’s health and well-being.

Many of the family trends found in the UK – particularly the rising rates of divorce, cohabitation, births outside marriage, and lone parenthood – are found, to a greater or lesser degree, in many other industrialised countries. However, the UK tends to be among the countries at the highest end of the scale.

The UK also has relatively low employment rates for lone mothers, mid-range rates for married mothers, and high rates of worklessness among families with children. This means relatively high rates of poverty for families with children, especially lone parents, and high rates of child poverty.

The importance of parental employment in reducing child poverty risks is very clear, but employed lone parents still run a high risk of poverty in many countries, including the UK.

Cash transfers help to reduce child poverty rates, more successfully in some countries than others. The highest employment rates and lowest poverty rates are found in the Nordic countries, and these countries also tend to have extensive and generous family benefits and good services for working parents.

Children are disproportionately represented among the poorest groups. Children’s risks of experiencing poverty are mediated by several factors including; class and employment status, family structure, ethnicity, number of siblings, ill health and disability.

Children in lone-parent families and families where there is disability and sickness can experience long durations of poverty. Pre-school children are particularly likely to experience repeated spells of poverty.

The effects of poverty are felt in childhood and into adulthood. Poor children are vulnerable to poor health, poor cognitive development, low self-esteem and poor educational achievement. They are also under considerable social and material pressure to maintain their social relationships and social participation with their peers.

Several different approaches are possible for measuring the costs of raising children. There is some evidence that lone-parent families face higher costs than couple families with children.

The evidence from studies of child support payment is that only about one in three lone parents receive child support payment regularly. Lone parents in employment are more likely to receive regular payments than those who are unemployed, and divorced lone parents are more likely to receive regular payment than single lone parents.
Non-compliance with child support payments is shown to be a complex mix of factors related to the non-resident fathers’ capacity to pay and their willingness to pay. These include fathers’ incomes, commitments to second families, perceptions of children’s needs, the quality of paternal relationship and post-separation relationships between parents.

The outcomes for children of family dissolution are particularly complex. A review of evidence found the greatest outcome to be poverty, along with poor educational outcomes, early adult transitions, antisocial behaviour, and poor physical health. However, there are many mediating factors, including economic, social and parental factors, which can influence child outcomes before, during and after separation.

The numbers of parents using childcare is increasing. Use of childcare is influenced by employment status, socio-economic status and children’s age. Despite the growth in formal childcare the majority of parents in the UK prefer to use informal care from family and friends. It is seen as cheaper and more secure, although low-income parents paying for informal childcare are not able to claim the childcare tax credit which is paid as part of the Working Families’ Tax Credit and covers up to 70 per cent of weekly eligible childcare costs.

Childcare use is not solely an issue of cost and availability. Parents’ attitudes to childcare are informed by socio-economic factors, and factors associated with their children’s perceived well being, but they also appear to be shaped by deeply held attitudes to parenting and motherhood.

Parents of children who are sick and/or disabled are restricted in their capacity to work by poor childcare provision and a lack of flexibility in employment, childcare and school.

People with caring responsibilities, especially women caring for more than 20 hours a week are restricted in their capacity to work by their caring role. When in employment, carers tended to have lower incomes than their non-caring peers.

Although family friendly practices are increasing there is still considerable shortfall between parents’ needs and expectations and employers’ provision.

Parental leave schemes in Europe show considerable variation in the type and quality of provision. Successful schemes such as the Norwegian ‘daddy quota’ are intended to promote gender equality in the labour market and increase fathers’ involvement in their children’s early years.

There are two main ways in which research has sought to identify the factors that facilitate or impede employment for lone parents. The first compares the socio-economic characteristics of employed and non-employed lone parents, and the second asks lone parents about the problems that they have in finding or keeping work.

The main factors associated with employment for lone mothers are age of youngest child, educational qualifications, tenure, and also receipt of maintenance, relative lack of hardship out of work, access to in-work benefits, and attitudes to work and family responsibilities.

Chapter 7: Reconciling work and care

Chapter 8: Barriers to work
- Lone mothers themselves cite caring responsibilities, ill health (self and children) and financial factors as important barriers, also lack of work skills and experience, lack of confidence, transport, lack of job opportunities, and employer prejudice.

- Lone mothers’ views about employment are closely connected to the ways in which they think about motherhood and their obligations and responsibilities as mothers, and more specifically as lone mothers. These responsibilities are seen as relevant to all children, not just young children.

- This affects attitudes to childcare and lone mothers hold quite complex and sometimes ambivalent attitudes towards the use of childcare. There is a preference for informal care (which is seen as the closest substitution for parental care) and/or for work that enables the parent to continue to provide most of the care. Few people have the opportunity to try out childcare arrangements in advance of working.

- There is only limited information about barriers to taking up education or training, although student lone parents are particularly likely to be in financial difficulties and have problems accessing childcare. Nor do we know much about transitions from very few hours of part-time work into longer hours of work.

- For couples, it is important to note that ‘workless couples’ are not the same as ‘unemployed couples’. About half of the men in workless couples have health problems and many receive disability benefits; most of the women are ‘inactive’, i.e. not seeking work. These couples share similar characteristics, which for many means similar disadvantages in the labour market. It is this, rather than benefits, which seems most important in explaining their status as workless couple.

- Identity is important for couples as it is for lone parents and gendered expectations about family roles (especially about men as breadwinners) and about jobs (‘women’s jobs and part-time jobs) affect how both partners in a couple approach the labour market.

- Financial barriers are a significant factor for couples with children, these include concerns about making the transition to work, about meeting the costs of working, and about being able to manage financially. Some families seem reluctant to claim in-work benefits and this is partly related to difficulties and delays that people had experienced but also to negative attitudes to these. People tended to prefer to make up their incomes by overtime or by partners taking up jobs.

- The barriers to part-time work are similar to the barriers to full-time work, but another important factor was whether or not working part-time was seen as being ‘worthwhile’ – financially but also in terms of the disruption to the family, and in terms of leading on to further or to full-time work. Women tended to be more positive about part-time work than men.
The most common way to measure labour demand in the survey-based studies has been to include a variable measuring the local unemployment rate but these may be too crude to pick up labour demand effects. There has been some recent interest in examining employers’ recruitment and retention policies but this is an area where further work is needed and where the studies of labour supply and labour demand could be brought more closely together. Similarly, few studies have attempted to include variables to measure childcare costs and availability.

Similarly, few studies have attempted to include variables to measure childcare costs and availability.

Only one of the New Deal programmes – the New Deal for Lone Parents (NDLP) – is specifically targeted upon families with children. Evidence from the evaluation of the NDLP prototype programme and from the early stages of the national programme showed some success in helping lone mothers into work, but take-up has been low and, while most are very satisfied with their participation, some would have welcomed more guidance. The better-off calculations are an important element in the help offered. Extensive evaluation of the national programme is underway. We know little specifically about how couples with children fare in the other New Deal programmes.

Lone parents generally had higher take-up rates of Family Credit than couples, they were also more knowledgeable about it and other in-work benefits, and they felt less stigma about claiming. Lone parents tend to receive Family Credit when children are older and they can work full time, or they combine it with part-time work when children are younger. Many who leave go back onto Income Support. Couples tend to receive Family Credit when they have young children and one partner is providing full-time care; when one worker in a two-earner family loses their job; and when the family fall into financial difficulties for other reasons. Family Credit did boost income in work, although some recipients still experienced hardship.

The actual incentive effects of Family Credit are not straightforward to identify nor to isolate from other factors, but it seems that labour market (rather than benefit issues) are most important for many families. Simulations suggest that the Working Families’ Tax Credit will lead to increased employment among lone parents but reduce employment among second earners in couples. This needs further research to understand what is actually happening in practice. There has been some recent interest in the factors that make it possible for families to sustain employment, but this is another area where further research is needed.
Turning to the cross-national comparison, a number of countries have introduced new work requirements and labour market programmes for lone parents. Lone parents are often required to participate in some activities when children reach school age but there is a large degree of variation in what is required and how this is enforced. In the USA, employment rates for lone mothers have risen sharply and welfare receipt has fallen. This is partly a consequence of a strong economy but welfare reform has also played a part. The USA evidence shows that those most likely to move into work are those who are more ‘job-ready’ with fewer barriers to work and who are in labour markets with good labour demand. Work first programmes produce earlier results at lower costs, but human capital approaches tend to catch up over time. The most effective programmes use a mixture of both, with individual assessments. High compulsion does not necessarily lead to more employment outcomes.

The only programmes that both increased work and made families financially better off were those that provided earnings supplements to low-wage workers. Many non-employed lone mothers are much worse off financially because of the reforms and even those who work full-time do not necessarily escape poverty. There has been a significant expansion of childcare services (although much of the provision is still of poor quality), and of in-work benefits such the Earned Income Tax Credit. The impacts of welfare reform on children relate to the age of the child, with mixed evidence for young children, generally positive for primary school children but more often negative for teenagers. Current US policy attention is increasingly focused on issues of marriage and family formation.

The Canadian Self-Sufficiency Project, which pays generous supplements to those in full-time work, has had some success at increasing employment and reducing poverty but many people were unable to find full-time jobs that would give them access to this support.

Overall, the cross-national comparison shows that there are many ways to pursue work-related policy goals, that isolating ‘what works’ is very difficult, but that the most effective programmes include a flexible mix of measures of in-work financial support, childcare support and individual assessment for help with job search and training.

Over the past ten years, there has been a substantial body of research into the situations and circumstances of families, and especially of lone-parent families. The combination of quantitative and qualitative research, the increased availability and use of dynamic panel data, and the extensive evaluation programme for the New Deal and other new policy measures has provided an increasingly rich and complex picture.
• Issues identified for further research include: health and disability and the impact of these on families’ employment and needs; hardship, the adequacy of benefits and sustainable livelihoods; the dynamics and diversity of family structure; children’s perspectives on parental employment and childcare; educational and training needs and barriers to the uptake of these; the nature of family labour supply, the transitions from having one to having two earners and the circumstances of workless families; how families manage paid work and care work; employers’ recruitment and retention policies and the measurement of labour demand; the role of Personal Advisers in the delivery of integrated services and benefits; patterns of money management in the context of changing ways of assessing and delivering benefits; equity across different families; and the need for well-chosen cross-national comparisons.

• Finally, much of the research has characterised these family and employment trends in terms of polarisation - between two-earner and no-earner couples, between the well-educated and the unqualified, between women with uninterrupted full-time work histories and those with gaps and part-time working; between teenage mothers and women who postpone having children. These are real divisions but they are not necessarily well captured by the rather rigid and dichotomous concept of polarisation, which can obscure the range of social divisions - of social class, race and gender - and how these operate and interact across the lifecourse.
Since 1997 the Labour governments have introduced a wide range of policies aimed at tackling social exclusion, supporting and sustaining employment, and eradicating child poverty. The range and scope of these policies are extensive but the focus is very much addressed towards the policy goals of ‘making work possible’ (helping people into employment, helping parents combine work and family responsibilities) and ‘making work pay’ (easing the financial transition to work, increasing the financial returns from work). These measures are creating a different set of conditions under which families live and work, and a new context for individual decisions about matters such as work/care arrangements and perhaps even about family formation and dissolution. We should be careful not to exaggerate the likely impacts of these, especially in the short term, since a wide range of factors influences such decisions, many of them outside government control. Nevertheless these are significant changes in government policy and practice which have the potential to have a real impact upon the lives, incomes and living standards of many individuals and families. This literature review provides a timely opportunity to explore what we already know and what we need to know about family change, about the circumstances of families, and about labour market trends in the last ten years.

This review was commissioned by the Department for Work and Pensions (DWP) and the main aims are:

- to provide a critical summary of recent research on families, focusing on lone parents and low-income couples;
- to review evidence about what works in respect of policies intended to promote employment among these families;
- to identify gaps in our knowledge about the needs and circumstances of such families.

The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes. This is a very broad range of topics and there is a large, and growing, literature in respect of each. We therefore decided that the material to be included should:

- have a focus on empirical data reporting new research results – but we include some more theoretical material for context;

1 The Department for Work and Pensions (DWP) was formerly the Department of Social Security (DSS).
have a focus on the UK - but including studies from other countries in order to set the UK trends in context and in respect of particular topics (e.g. welfare to work programmes in the USA);

cover the period from 1990 onward - except where it relates to topics not covered by later studies or where the study in question has been particularly influential;

be published and generally available (this excludes conference papers in particular).

The review was based on a wide-ranging literature search using library work, Internet searches and personal contacts. Extensive searches were conducted to identify relevant research using bibliographic databases, including BIDS and the Web of Science. Research Institutes and Research Databases were searched for empirical research relevant to the report. Among those covered were: Equal Opportunities Commission; ESRC Regard database; Europa (European Union); Family Policy Studies Centre; Institute for Fiscal Studies, Institute for Social and Economic Research; Joseph Rowntree Foundation; National Children’s Bureau; and the Policy Studies Institute. Major surveys referred to include: British Social Attitudes Survey; British Household Panel Study; Family Resources Survey; General Household Survey; Labour Force Survey, and the Workplace Employee Relations Survey.

We also made extensive use of the PSI Programme of Research into Low Income Families (PRILIF), the PSI Survey of Low Income Families (SOLIF, now known as the Families and Children Survey, FACS), and the evaluations of Jobseeker’s Allowance, of the Back to Work Bonus, and of the various New Deal Programmes, particularly the New Deal for Lone Parents and the New Deal for Partners. For US and other overseas material, we made extensive use of Internet searches for recent evaluation reports, as well as the usual bibliographic and library searches. Further details of these reports and publications are found in the text and in the Appendices.

The report covers a wide range of poverty research and these studies use different definitions of poverty. In general, the report refers to ‘poverty’, ‘income poverty’ or ‘low-income’ interchangeably. However, where other definitions of poverty, such as social exclusion, are used this is indicated in the text. ‘Income poverty’ usually refers to households living on incomes below 50 per cent of mean household income, or 60 per cent of median household income. Social exclusion is a broader measure of poverty ‘which refers to the multidimensional and dynamic process of being shut out, fully or partially, from the economic, social, political and cultural systems which determine the social integration of a person in society’ (Walker, 1999, p8)
Part 1 of the report, *Families, employment and poverty*, includes four main chapters. Chapter 2 reviews the evidence about the nature of family change in the UK, and addresses specific issues such as the growth in cohabitation, stepfamilies and teenage motherhood. Chapter 3 examines the literature on families and paid work, from both an individual and a family perspective. Chapter 4 covers families and poverty, examining how poor families cope and the impact of poverty on health and well-being. Chapter 5 locates the UK in a comparative context by reviewing cross-national research on these topics. In Part 2, *Issues*, Chapter 6 discusses issues related to the financial support of children. Chapter 7 considers how poor families reconcile work and caring responsibilities, focusing in particular upon childcare. Chapter 8 looks at barriers to work for low-income couples and lone parents. Chapter 9 reviews the key evidence relating to welfare-to-work and make work pay programmes in the UK and in other countries, especially focusing upon US evidence. The final part includes a concluding chapter, which identifies gaps in knowledge, and makes recommendations for further research.

In order to set the scene for the literature review, we start by setting out some key statistics in respect of family structure, family employment participation, and family poverty.

There are about seven million families with dependent children in Great Britain (children are defined as being aged under 16 or under 18 and in full-time education), including about 1.5 to 1.7 million lone-parent families. There are about 12.6 million dependent children in these families, including about 2.8 to 3.0 million who live in lone-parent families. Table 1.1 shows estimated numbers of lone-parent and two-parent families in the 1900s from two sources (Haskey, 1998 and Holtermann et al, 1999). The numbers are slightly different but both show the same trend of rising numbers of lone-parent families making up an increasing proportion of all families with children. Between 1990 and 1997, the number of two-parent families with children fell by about 400,000 and the number of lone parents rose by about 600,000. Much of this increase was in the first half of the decade and the rate of increase seems to have slowed down in recent years. There are no directly comparable figures for Northern Ireland, but Evason et al (1998) report that lone-parent families made up 19 per cent of all Northern Irish families in 1990/91 and 22 per cent in 1996/7.
**Table 1.1 Families with children, Great Britain 1990 - 1997**

<table>
<thead>
<tr>
<th>Year</th>
<th>Lone parents (000s)</th>
<th>Lone parents (000s)</th>
<th>Couples (000s)</th>
<th>Lone parents as a percentage of all families</th>
<th>Lone mothers (000s)</th>
<th>Lone fathers (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1,230</td>
<td>1,146</td>
<td>5,941</td>
<td>16.2</td>
<td>1,038</td>
<td>108</td>
</tr>
<tr>
<td>1991</td>
<td>1,300</td>
<td>1,145</td>
<td>5,519</td>
<td>16.2</td>
<td>1,028</td>
<td>117</td>
</tr>
<tr>
<td>1992</td>
<td>1,370</td>
<td>1,266</td>
<td>5,519</td>
<td>18.7</td>
<td>1,150</td>
<td>116</td>
</tr>
<tr>
<td>1993</td>
<td>1,440</td>
<td>1,356</td>
<td>5,636</td>
<td>18.7</td>
<td>1,240</td>
<td>116</td>
</tr>
<tr>
<td>1994</td>
<td>1,510</td>
<td>1,504</td>
<td>5,636</td>
<td>21.1</td>
<td>1,373</td>
<td>131</td>
</tr>
<tr>
<td>1995</td>
<td>1,560</td>
<td>1,646</td>
<td>5,638</td>
<td>19.2</td>
<td>1,498</td>
<td>148</td>
</tr>
<tr>
<td>1996</td>
<td>1,600</td>
<td>1,736</td>
<td>5,612</td>
<td>23.6</td>
<td>1,539</td>
<td>197</td>
</tr>
<tr>
<td>1997</td>
<td>..</td>
<td>1,727</td>
<td>5,563</td>
<td>23.7</td>
<td>1,548</td>
<td>179</td>
</tr>
</tbody>
</table>


Table 1.2 shows both the number employed and the employment rates for parents in different types of families in 1990 and 1997. Mothers are less likely to be employed than fathers, whatever the family type, but women's employment rates have increased in the 1990s while men's have fallen (except for lone fathers). For both mothers and fathers, employment rates are highest for those who are married, then for those who are cohabiting, and then for lone parents. The employment rates of lone mothers hardly changed in the 1990s (from 41 to 44 per cent) but, because the number of lone mothers has been rising, this represents an increase in the actual number employed (of about 250,000). The same sort of pattern was true for cohabiting mothers. For married mothers the employment rate rose in the 1990s (from 61 to 69 per cent) but the number employed fell slightly. For married fathers both employment rate and numbers fell, but married fathers still have by far the highest rates of employment of all parents. Shifting the focus to families, rather than individuals, in 1995 about 63 per cent of couples with dependent children had two earners, about 22 per cent had one male earner, about two per cent had one female earner, and about eight per cent had no earners (ONS, 1997).

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2 By 2000, 48.6 percent of lone parents were employed (ONS, 2001). See Chapter 3.
Table 1.2  Employment: number and rates of parents by family type, 1990 and 1997

<table>
<thead>
<tr>
<th></th>
<th>Number employed (000s)</th>
<th>Employment rate (% of each group employed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married mothers</td>
<td>3,480</td>
<td>3,422</td>
</tr>
<tr>
<td>Married fathers</td>
<td>5,206</td>
<td>4,769</td>
</tr>
<tr>
<td>Cohabiting mothers</td>
<td>127</td>
<td>346</td>
</tr>
<tr>
<td>Cohabiting fathers</td>
<td>230</td>
<td>506</td>
</tr>
<tr>
<td>Lone mothers</td>
<td>427</td>
<td>680</td>
</tr>
<tr>
<td>Lone fathers</td>
<td>66</td>
<td>116</td>
</tr>
</tbody>
</table>

Source: Holtermann et al. (1999), table 4.2a, based on Labour Force Survey

Table 1.3 shows the number of individuals living in income-poor households by family type in 1988/89 and 1999/2000. Poor households here are defined as those with equivalent income of less than 50 per cent of the mean household income after housing costs. The table also shows (for 1999/2000 only) the proportion in income poverty using an alternative measure (equivalent household income below 60 per cent of the median, after housing costs) as this has become an increasingly accepted measure. As the final two columns show, the mean and the median give broadly similar results. Looking at the 50 per cent of the mean line, the income poverty rates for couples without children were similar at the end of the 1980s (10 per cent) and at the end of the 1990s (11 per cent). The same is true for income poverty rates for couples with children (19 per cent and 20 per cent). Lone-parent families are disproportionately likely to be below the poverty line, and have experienced a rise in their income poverty rate from 50 per cent to 57 per cent. Single people of working age have also seen a rise from 16 per cent to 23 per cent. However, both single and couple pensioners have seen a reduction in income poverty rates. Families with dependent children make up over half of those in income poverty, amounting to around six million people - men, women and children.
Table 1.3  Poverty number and rate by family type, 1988/9 and 1999/00

<table>
<thead>
<tr>
<th>People in poor households</th>
<th>Number (000s) 88/89</th>
<th>Number (000s) 99/00</th>
<th>Rate % 88/89</th>
<th>Rate % 99/00</th>
<th>Rate % 99/00 (60% median)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family type</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single person of working age</td>
<td>1,840</td>
<td>2,070</td>
<td>16</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Couple, working age, no children</td>
<td>980</td>
<td>1,166</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Couple with dependent children</td>
<td>4,210</td>
<td>3,400</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Single parent with dependent children</td>
<td>1,500</td>
<td>2,736</td>
<td>50</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>Pensioner single</td>
<td>1,890</td>
<td>1,160</td>
<td>42</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Pensioner couples</td>
<td>1,680</td>
<td>1,092</td>
<td>33</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>All family types (%)</td>
<td>12,000</td>
<td>11.6m (22)</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

Poverty is defined as individuals living in households with incomes below 50% of equivalent mean income, after housing costs.

Source: Households Below Average Income 1988/89 and 1999/00

The mains aims of this review are to provide a critical summary of recent research on families, focusing on lone parents and low-income couples; to review evidence about what works in respect of policies intended to promote employment among these families; to identify gaps in our knowledge about the needs and circumstances of such families. The three main substantive topics covered are family patterns and dynamics; poverty and living standards; and employment patterns, barriers to work and the impact of welfare to work programmes.

This review is intended to examine the literature across a very broad range of topics. Each chapter tackles a large range of research, and indeed many of the topics we address could fill literature reviews in their own right. This review is therefore necessarily selective and we point to other reviews and sources of information on specific areas as appropriate. In line with DWP interests we focus on making comparisons between lone parents and low-income two-parent families, but where relevant we also look at other comparisons.
Families, Poverty, Work and Care

Part One - Families, employment and poverty
Family structures changed considerably during the second half of the 20th century and this chapter reviews the nature and extent of these changes. The chapter also provides some discussion of the possible explanations for these changes. The third part of the chapter considers the issue of dynamics in family life – movements from one type of family form to another. Finally, the chapter reviews our current knowledge about the structure of lone parent and low/moderate-income couple families.\(^3\)

There was considerable change in family structures in the second half of the 20th century. This section reviews the following changes:

- Declining rates of first marriage.
- Increasing rates of divorce.
- Increasing rates of cohabitation.
- Growing numbers of step-families.
- Increasing age of parenthood and increasing numbers of women not having children at all.
- Relatively high rates of teenage motherhood.
- Increasing numbers of lone-parent families.

2.1 The nature of family change in the UK

2.1.1 Marriage

Despite its reputation for being the era of ‘free love’, the 1960s were a time when marriage was very popular. This was for three main reasons: children of the post-war baby-boom were coming up to marriageable age; people were marrying younger; and a higher proportion of people were getting married. The majority of men and women still get married, but the numbers have declined in more recent decades. In 1999, 179 thousand first marriages took place in the UK – less than half the number in 1970 (Office of National Statistics - ONS 2001). But marriage is still very popular for some people and in 1999 there were 122 thousand re-marriages for one or both partners, accounting for two-fifths of all marriages (ONS 2001).

The age at which people first get married has increased from 24 for men and 22 for women in 1971 in England and Wales to 29 and 27 in 1999 (ONS 2001). This is partly because of the increasing popularity of cohabitation as a trial period for marriage but the expansion of further and higher education (particularly for women) is also part of the explanation for delayed marriage.

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\(^3\) Appendix A provides a summary of data sources on British families.
2.1.2 Divorce

The number of divorces doubled between 1961 and 1969 and, largely due to the short-term impact of the 1969 Divorce Reform Act, doubled again by 1972. There was a drop in the number of divorces in 1973 before the numbers began increasing again and peaked in 1993 at 180,000. The number of divorces fell between 1993 and 1999 by 12 per cent to 159 thousand in 1999 (ONS 2001). A great deal of research has been carried out to identify the types of people most at risk of divorce, although little has differentiated between couples with or without children. The following factors have been identified as increasing the likelihood of divorce:

- Early marriage (Ermisch, 1991).
- Premarital cohabitation (Bennett et al, 1998).
- Premarital birth (Martin and Bumpass, 1989).
- Childlessness (Ermisch, 1991).
- Couples from poor economic backgrounds (Ermisch, 1991).
- Couples with low educational achievement (Ermisch, 1991).
- Couples from different social classes (Hart, 1976).
- Experience of marital breakdown among close family (Hart 1976).
- Having been previously married (Martin and Bumpass, 1989).
- Experience of living apart (Hart, 1976).
- Access to an alternative home (e.g. with parents) (Hart, 1976).

Many of these factors are related to one another and they do not, in themselves, explain why divorce is more likely. The discussion in the next section considers the broader explanations for family change, including increasing divorce. But it is worth saying here that there are clear links between divorce and economic disadvantage. Women from poorer groups are more likely to divorce and those who do divorce are more likely to become poor(er) (Jarvis and Jenkins, 1998; Kiernan and Mueller, 1999). Lampard (1994) has suggested that some people divorce as a direct consequence of unemployment and that unemployment is sometimes a direct consequence of divorce.

2.1.3 Cohabitation

Cohabitation has increased considerably in the last couple of decades but it is not unique to the second half of the 20th century. Prior to the 18th century, informal unions were common, particularly among poorer groups (Gillis, 1985). But during the 19th century and early 20th century, legal marriage became the norm and Kiernan et al (1998) suggest that cohabitation was probably rarer in the 1950s and 1960s than it was even at the turn of the 20th century. The rise in cohabitation witnessed in the second half of the century has therefore started from a very low base. Among non-married women under 60 in Britain, the proportion cohabiting almost doubled between 1986 and 1998-9 from 13 per cent
to 25 per cent (ONS 2001). This amounts to about one and a half million cohabiting couples in 1996. It has been estimated that the number will almost double by 2021 (ONS 2001). Haskey (1996) found that, in the mid 1960s, fewer than five per cent of never-married women cohabited prior to marriage; in the early 1990s, 70 per cent did so.

Cohabitation has become common as a trial run for marriage. About three men in ten and over a quarter of women in Britain who had ever been married had cohabited before their first marriage (ONS 2001). The proportion of those who had cohabited with their future spouse before marriage increased with age. Three-quarters of never-married childless couples aged under 35 who were cohabiting expected to marry each other.

Cohabitation is not always a trial run for marriage. Sometimes it occurs between marriages and sometimes it occurs because people have decided never to marry. Of women born between 1961 and 1965, 28 per cent remained unmarried at the age of 32. This compared with seven per cent of the 1946 to 1950 cohort and nine per cent of the 1931 to 1935 cohort (ONS 2001). Some of these differences might be due to people getting married at older ages but some will also be due to non-marriage.

Not all cohabiting couples have children but one fifth of all families with dependent children are cohabiting (Haskey 1996). Some economic theory links the growth of cohabitation directly to men’s relatively poor employment opportunities (Easterlin et al 1990). Research findings support this theory, with evidence that cohabiting couples with dependent children have substantially lower earnings than other families with children. Following on from this they are also more likely to be on Income Support, be in council housing, be in deprived inner-city areas, and be in lower socio-economic groups (Kiernan and Estaugh 1993; McRae 1993; Haskey 1996).

In her study of cohabiting mothers, McRae (1993) noted three main reasons why these women said they had decided not to marry: the costs of weddings; fear of divorce; and a wish to avoid the institution of marriage altogether.

2.1.4 Step-families

There has been relatively little research into step-families. Step-families are formed when two people start living together, one of whom (at least) has children from a previous relationship. Official statistics show that in 1998-9, step-families (married and cohabiting), where the head of the family was aged under 60, accounted for about six per cent of families with dependent children in Britain (ONS 2001). In nine out of ten step-families, the family consisted of a couple with children from the woman’s previous relationship(s) only. Thus there are very few step-mother families – the vast majority are step-father families.
Ferri and Smith (1998) argue that policy-makers, like researchers, have generally ignored step-families. They provide the key book in this field and comment that the limited amount of research that has been carried out has mostly concentrated on the outcomes of children of living in step-families. This research generally finds that they do relatively badly – even worse, it is suggested by some studies, than living in a lone-parent family. Their own research suggests that step-families are very much like first families except in terms of their economic position. Step-families are generally poorer than other types of family. This disadvantage can be further compounded if the father in the family has children to support from a previous family.

The existence of step-families contributes to the picture of increasing complexity in contemporary family life. There could be a number of children in the same step-family all with different combinations of parents. Some children might be full siblings (in the biological sense), others might be half siblings (sharing one biological parent only), others might have no biological link to each other at all. The social side of family life and parenting is therefore central to the step-family and we know relatively little about this.

2.1.5 Older parents and childlessness

Another important trend in recent decades is that, generally speaking, women are having children at much older ages than in the recent past. The mean age of women having children in England and Wales rose from 26 years in 1971 to 29 years in 1999 (ONS, 2001a). Not all women have children. About 16 per cent of women born in 1924 were childless by the age of 45. It is projected that about 23 per cent of women born in 1974 will also be childless when they reach the age of 45 (ONS, 2001a).

2.1.6 Extra-marital conceptions

In the last decade, the percentage of conceptions that were inside marriage and led to a birth fell by 12 percentage points to 44 per cent. Over the same time period, the percentage of births outside marriage rose by 10 percentage points to 30 per cent. Almost one in five conceptions (18 per cent) were terminated by legal abortion (ONS, 2001a). The majority of births outside marriage (80 per cent) were registered by both the mother and father and 60 per cent of all births were registered by both parents living at the same address (ONS, 2001a). This confirms the picture of increasing numbers of births to cohabiting couples.

2.1.7 Teenage motherhood

Britain has the highest rate of teenage motherhood compared with other European Union countries (ONS, 2001a). This is largely because teenage birth rates fell throughout Europe between the 1970s and 1990s but in Britain such rates have maintained the same level as in the early 1980s. The Social Exclusion Unit (1999) points to the lack of educational/employment opportunities for some young women as a key cause of teenage motherhood. Rowlingson and McKay (2001, forthcoming) confirm this picture – about a quarter of young women with unskilled
manual working fathers became teenage mothers (according to data collected in the mid 1990s). The link here is somewhat circular: lack of opportunities cause teenage motherhood and teenage motherhood further reduces opportunities (Wellings and Wadsworth, 1999). Teenage motherhood is very high among the Pakistani and Bangladeshi communities (but very largely within marriage) (Berthoud 2001, forthcoming). This be the question of whether teenage motherhood itself is considered a problem or teenage lone motherhood. This leads us on to the issue of lone parenthood.

2.1.8 Lone parenthood

The percentage of dependent children living in lone-parent families in Britain more than tripled between 1972 and 2000 to almost one in five (ONS 2001). Although divorced lone mothers were the most common type of lone parent in the 1970s and 1980s, never-married mothers became the most common type during the 1990s (Marsh et al, 2001). This was in large part due to the rise in cohabitation and the subsequent breakdown of cohabiting relationships, as discussed earlier in this chapter. As we have seen, the growth of lone parenthood must be seen alongside other important changes in family life.

2.1.9 Ethnicity

The link between ethnicity and lone parenthood is an interesting and highly controversial one (see Song and Edwards 1997). The majority of lone-parent families are white but some ethnic minorities are over-represented among lone-parent families (such as Afro-Caribbean women) and others are under-represented (such as Asian women). In 1996, six per cent of the British population belonged to an ethnic minority group. In the 1999 SOLIF data however, a total of nine per cent of lone-parent families were from ethnic minority backgrounds. Five per cent of lone-parent families were headed by a black lone parent, two per cent by an Asian lone parent and two per cent by a parent from another minority ethnic background.

The Labour Force Survey also shows that just about two-thirds (66 per cent) of black Caribbean mothers were lone parents in 1995-7, compared with 21 per cent of white mothers (Holtermann et al 1999). The majority (60 per cent) of black Caribbean lone mothers were single never-married mothers compared with only six per cent of Pakistani and Bangladeshi lone mothers. Lone motherhood in general, and single never-married lone motherhood in particular, is quite common within the black Caribbean community but it must be remembered that, according to the Labour Force Survey, black Caribbean women only constitute about four per cent of all lone mothers and only six per cent of all single never-married lone mothers (Holtermann et al, 1999).

We know much less about ethnicity in relation to other family structures but research tends to show that cohabitation is much more likely to be associated with the white community than with other ethnic groups and Asian people are more likely to be married than any other ethnic group (Beishon et al, 1998; Berthoud, 2000)
2.1.10 Change or continuity in family life? As we have seen, many aspects of family life changed in the second half of the 20th century but the amount of change can sometimes be overstated. Morgan (1995) suggests that we can say Farewell to the family, but family life continues. The precise form of family life has changed but even so the majority (80 per cent) of children lived in couple families in 2000 (ONS 2001). Marriage remains popular (see above) though perhaps less so than in the 1950s. As Rowlingson and McKay (2001) argue, it seems that family life is returning to some of the more informal structures evident before industrialisation. But even so, there has been considerable continuity in family forms throughout the 20th century.

2.2 Explaining family change There is much debate about the precise extent of changes in family forms but it is clear that at the end of the 20th century family life was quite different from 50 years earlier. Why did these changes occur? There is no uncontested theory to explain these changes but a number of factors are put forward as possible contributory causes including:

- changes in the overall and relative employment prospects of men and women;
- changes in the availability of social security and housing;
- changes in divorce legislation and attitudes to divorce;
- changes in sexual attitudes and behaviour, including changes in availability of contraception and abortion;
- changes in attitudes to ‘the family’ and the individual;
- the rise of feminist ideas and increasing intolerance of male domination and violence.

Changes in family life are closely linked to structural economic change and the 1970s saw the emergence of what has been termed ‘post-industrialisation’, including mass unemployment from the 1970s onwards, a terminal decline in basic industries and increasing inequality from 1979 to the early 1990s (Hills, 1995). The number of ‘marriageable men’ in the working class (those able to provide breadwinning wages to support a family) declined and this has been signalled as a major factor in family change in the United States (Garfinkel and McLanahan, 1986; Wilson, 1987). In his book on When Work Fades, William Julius Wilson (1996) devotes a whole chapter to what he calls the ‘Fading Inner City Family’ (by which he means two-parent family). This, he argues, is due to the concentration of poverty and joblessness in the inner cities. In the UK, Webster (2000) makes a similar point about the increasing correlation between areas of male unemployment and the percentage of households headed by lone mothers.

Among the middle classes, the increasing opportunities for women are also likely to have affected their views of relationships and parenting. The decline of ‘mandatory marriage’ might therefore be seen as accompanying the decline of industrialisation.
The availability of social security and housing for lone-parent families is often pointed to as a possible contributory factor behind increasing numbers of such families but there is no convincing evidence of this. Whiteford and Bradshaw (1994) compare support provided in different countries and find that lone parenthood is sometimes widespread in countries where support is minimal (such as the United States).

More recently, academic research on the family has moved away from the analysis of economic and welfare structures and considered instead the role of cultural values and individual attitudes on family change. Ingelhart (1990) has emphasised the cultural shift to values emphasising individual self-realisation and autonomy. Following on from this, Giddens (1992) argues that individuals are more inclined towards ‘pure relationships’, by which he means relationships freely entered into and continued only so long as they provide individual satisfaction. They are therefore contingent rather than based on promises to stay together forever. And there is no obligation, no notion of ‘for better for worse’. This all means, according to Giddens, that couples are more likely to separate. Beck and Beck-Gernsheim (1995) draw on both these perspectives arguing that the growth of individualism has resulted in people yearning for close relationships with others. But they argue that this desperate need for love is now focusing more on love of children as love between adults seems too unreliable and contingent. Smart and Neale (1999) argue that this focus upon children has affected how men in particular view their rights and relationships with children post-divorce.

The women’s movement from the 1970s onwards cannot be ignored in terms of its contribution to changing women’s expectations, and those of society more generally. One example of this (though by no means the only relevant one) is in relation to domestic violence. Women in the past often had little choice but to remain with violent partners. Now there is much less tolerance of violent behaviour, even though such behaviour still occurs (Plotnikoff and Woolfson 1998; Mirrlees-Black 1999).

So there are a number of structural, cultural and attitudinal factors contributing to the changing nature of family life in the second half of the 20th century, and into the 21st. The relationship between them is complex but all three must be considered when seeking to understand family change. Poorer people are certainly more likely to be affected by these changes. As we have seen, they are more likely to cohabit, to get divorced, to form lone-parent families and to form step-families. Some of these family changes also appear to increase poverty – particularly divorce and lone parenthood, and particularly for women (though women’s poverty within couple families is often invisible). These new family forms have both increased but also merely unveiled women’s poverty.
These changes in family structures are not, however, solely confined to poorer groups. People from all walks of life cohabit, get divorced, become lone parents and so on. But the chances of doing so are greater for those from poorer backgrounds and the experiences of people from different backgrounds will differ too. The experience of lone parenthood for a young single mother in inner-city Liverpool will be very different from what it was for Diana, Princess of Wales. This is an extreme example but Britain today is characterised by a high level of inequality and the experiences of people at the opposite ends of this spectrum will be very different even if they share some similarities.

In the 1950s, family life was relatively stable. Most people got married without having lived together and then generally stayed married for life. Now, it is much more common for people to cohabit and then split up, before cohabiting with someone else and then deciding to marry. The marriage might end within a few years, leading to the creation of a lone-parent family; and then the lone parent might find a new partner, leading to the creation of a step-family. This step-family might then itself split up and so on. The term ‘serial monogamy’ might be more appropriate to contemporary family life than the 1950s’ image of young couples marrying ‘till death us do part’. This section looks at dynamics of family life. How long do couples remain together? And how long do lone-parent families last?

There is only limited research on the duration of relationships between low/moderate income partners. A forthcoming report (Marsh and Rowlingson, 2001) will provide some information directly on this subject but, for now, we have to rely on evidence about couples from all walks of life. In this research, the main issue of debate has been about the relative duration of cohabiting relationships versus married ones.

It is often claimed that cohabiting relationships are more likely to end than married ones. For example, Buck et al (1994: p69) say that cohabiting couples experience more than four times the breakdown rates of married ones. Murphy (1995) has pointed out, however, that this figure is based on a very small sample and another problem in this field is the extent to which ‘like-for-like’ comparisons can be made between couples with different marital statuses. As we saw earlier, cohabiting couples are often financially worse off than married couples. Married couples with these characteristics have much higher rates of relationship breakdown. The year in which a relationship starts is also linked to relationship breakdown – relationships begun in the 1950s and 1960s are less likely to end than those begun in more recent years. As cohabitation is a fairly recent development, there will again be a correlation between cohabitation and the year a partnership started. Do cohabitations end because they are cohabitations or because they are more recent partnerships?
Buck and Ermisch (1995) have defended their earlier estimates arguing that the difference between the breakdown rates of cohabiting and married couples is highly statistically significant and argue that the difference remains (albeit slightly smaller) when controlling for a wide range of other factors (see also Buck and Scott, 1995). More recent data finds that cohabiting unions last only a short time before either being converted into marriage or dissolving: their median length is about two years (Ermisch and Francesconi, 2000). About three in five cohabitations turn into marriage and 35 per cent dissolve within three years. Higher partner’s earnings increase the chances of marriage and reduce the risk of breakdown. So once again, socio-economic factors are related to duration of partnerships – better-off people are less likely to separate. The interesting question is why?

Buck and Ermisch (1995) argue that the difference in duration between marriage and cohabitation makes logical sense as cohabiting relationships are often ‘trial runs’ for marriage and we would therefore expect them either to end or to be converted into marriage. However, for some groups, cohabitation might be seen as an alternative to marriage and it is the difference in duration between these unions and married unions that is more interesting, if also even more difficult to measure.

This literature review is mainly concerned with low- and moderate-income couples but most of the research to date on duration of partnerships has analysed all couples regardless of their level of income or whether or not they have children. Level of income and presence of children have been used as a variable within the analysis but the research has not concentrated on the groups we are most interested in here. Perhaps cohabiting unions with children should be considered as an alternative to marriage rather than a trial run as we might expect ‘trial run’ cohabiting partners to get married before they have children (Prinz, 1995). Ermisch and Francesconi (2000) found that births within cohabiting unions substantially reduced the chances of marriage but increased the chances of breakdown. Cohabiting couples with children stay together longer than childless cohabiting couples, because the childless ones are more likely to get married or split up. Nevertheless cohabiting couples with children have higher rates of separation than married couples.

Ermisch and Francesconi (2000: p40) suggest that 70 per cent of children born within marriage will live their entire childhood (to their 16th birthday) with both natural parents, but only 36 per cent of children born into a cohabiting union will live with both parents throughout their childhood. Once again, however, the extent to which it is possible to make comparisons ‘like-for-like’ leaves some degree of doubt over these figures.
much more common for living with a lone parent to be a spell within childhood. Similarly, lone parenthood does not last forever for the parent. People may cease being lone parents when their children become older (and hence are no longer counted as dependent), or through living with a partner – the route through which most spells of lone motherhood end.

According to Rowlingson and McKay (1998), half of all lone parents left lone parenthood within six years of becoming a lone parent. Single never-married lone mothers had shorter spells of lone parenthood than other types of lone parent – about half of all single never-married lone mothers had married within three years of giving birth to the child that had made them a lone mother (according to the Social Change and Economic Life Initiative data collected in 1986). However, there is evidence that the duration of lone motherhood for those counted as ‘single’ has increased substantially compared to previous (dated) evidence (see Rowlingson and McKay, 2001 forthcoming). The median duration as a single never-married lone mother (the time within which half would be expected to change status) has risen from around three years (using data collected in the early/mid 1980s), to closer to five years using the most recent evidence (collected in the mid 1990s). The estimated duration of lone motherhood for divorced women appears to have hardly changed – at about four and a half years (see also Ermisch, 1991; Boheim and Ermisch, 1998).

Drawing on a cross-section of lone parents in 1991, one study found that eight out of ten lone parents were still alone in 1995 (Ford et al, 1998). A few of these had joined but then left a partner in the intervening years. Most of the remainder were with new partners but some had got back together with ex-partners, usually (ex-) husbands. A more recent report on the same cross-section found that, by 1998, 32 per cent of respondents were now living with a partner (Finlayson et al 2000).

What types of lone parents find new partners? Research has suggested that two different types of lone parent were most likely to leave lone parenthood: younger women and those with older children. Thus never-married lone parents had a high rate of (re-) partnering because of their age (Ford et al, 1998). Another study found that housing tenure was important in relation to (re-) partnering, as lone parents who were owner-occupiers remained lone parents for shorter spells than those who rented their homes (Rowlingson and McKay, 1998). Perhaps owner-occupying women are more attractive to potential partners or perhaps housing tenure is just a good indicator of a range of socio-economic factors.

What about the children in lone-parent families – what happens to them? And are any more children born within these families? Fourteen per cent of lone parents interviewed in 1991 no longer had dependent children in 1995 and so were no longer lone parents. In most cases, the children
had simply grown up but remained in the same household. One in five had had new babies or were expecting one soon. Half of these new children were (about to be) born within a partnership but half were not (Ford et al, 1995). By 1998, 23 per cent of the 1991 lone parents no longer had dependent children (Finlayson et al, 2000). A quarter of lone parents had given birth between 1991 and 1998 (or were pregnant at the time of the interview in 1998). Those who had found new partners were more likely to have had new children.

### 2.4 Family structures

This section provides some key statistics on the family life of lone parents and low/moderate-income couples. It draws heavily on the SOLIF (Survey of Low-Income Families) data collected by the Policy Studies Institute for the Department of Social Security (see Appendix B) (Marsh et al, 2001). This is the most up-to-date and comprehensive data on lone parents and low/moderate income couples in Britain. It comprised a survey of 4,700 families with children and was carried out in 1999. It used Child Benefit records to sample a complete cross-section of lone-parent families (regardless of income) and a sample of couple families (with children) in the bottom 40 per cent of the income distribution of families.

Table 2.1 gives us a breakdown of the family histories of lone parents and low/moderate-income couple families. As we can see, according to the categorisations used by Marsh et al (2001), the largest category of lone parent was mothers separated from cohabitation. But there are many ways of categorising lone parents and the information in the table also shows that there was an even split between lone mothers who have been married and those who have not.

Among low/moderate-income couple families, the majority (81 per cent) were married. Nearly a fifth were cohabiting. There are a number of different ways of categorising couple families. Marsh et al (2001) divide them into those whom they refer to as ‘traditional’ couples (that is, got together at least a year before the birth of their oldest child), ‘post-dated’ couples (that is, got together less than a year before the birth of their oldest child – or after the birth) and ‘former lone parent’ couples (that is, where the partner is the step-father of the oldest child, although the couple may have subsequently had children together). Using this categorisation we can see that just over a half of couples were traditional married couples. Among cohabiting couples there was a fairly even split into the sub-categories.
Table 2.1  Lone-parent and couple families by type of family, 1999

<table>
<thead>
<tr>
<th>Family type</th>
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<td>Lone fathers</td>
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<tr>
<td>Divorced mothers</td>
<td>23</td>
</tr>
<tr>
<td>Mothers separated from marriage</td>
<td>19</td>
</tr>
<tr>
<td>Mothers separated from cohabitation</td>
<td>26</td>
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<tr>
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<td>Widowed mothers</td>
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<td><strong>2386</strong></td>
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<table>
<thead>
<tr>
<th><strong>Couples on low/moderate incomes:</strong></th>
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<tr>
<td>Married traditional</td>
<td>56</td>
</tr>
<tr>
<td>Cohabiting traditional</td>
<td>6</td>
</tr>
<tr>
<td>Married post-dated</td>
<td>15</td>
</tr>
<tr>
<td>Cohabiting post-dated</td>
<td>6</td>
</tr>
<tr>
<td>Married former lone parent</td>
<td>10</td>
</tr>
<tr>
<td>Cohabiting former lone parent</td>
<td>7</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2086</strong></td>
</tr>
</tbody>
</table>

Base: All families giving sufficient details of relationships (missing data: four per cent of lone parents and four per cent of couples).

Source: Marsh et al. (2001)

Table 2.2 gives some information about trends in the demographics of lone-parent families. It shows that the proportion of lone parents who had been divorced declined between 1989 and 1999 while the proportion who had separated from a cohabitation increased. The proportion of lone parents who are women has remained constantly high – at around 95 per cent. The cross-section of lone parents has become older over time with a median age in 1999 of 35 years. The number of dependent children in lone-parent families has declined slightly while the age of children in these families has risen a little. Household size has remained about the same. There have been some very noticeable changes in relation to education and qualifications. Lone parents in 1999 were much less likely to have left school before the age of 16 and much more likely to have qualifications at GCSE level or above. Housing tenure has remained fairly constant with most lone parents continuing to rent, mostly from social landlords. There has been little change in their ethnic profile – with nine out of ten lone parents being white. Average spells of lone parenthood appear to have increased. In 1999, the median duration of lone parenthood (for those currently lone parents in the SOLIF study) was about four and a half years.
Table 2.2 Characteristics of lone-parent families (excluding the bereaved)

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<td>Separated from marriage</td>
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<td>22</td>
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<td>Separated from cohabitation</td>
<td>37</td>
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<td>Never lived as a couple</td>
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<tr>
<td>Other tenure</td>
<td>13</td>
<td>7</td>
<td>11</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Ethnic group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>89</td>
<td>91</td>
<td>93</td>
<td>94</td>
<td>91</td>
</tr>
<tr>
<td>Black – Caribbean</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Black – African</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Indian</td>
<td>*</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>Refused/not answered</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Time spent as a lone parent: current spell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>-</td>
<td>4y 9m</td>
<td>4y 7m</td>
<td>5y 3m</td>
<td>5y 6m</td>
</tr>
<tr>
<td>Median</td>
<td>-</td>
<td>3y 7m</td>
<td>3y 5m</td>
<td>4y 3m</td>
<td>4y 5m</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>1342</td>
<td>938</td>
<td>849</td>
<td>833</td>
<td>2402~</td>
</tr>
</tbody>
</table>

*Number of lone parents, not including those known to be bereaved.

There is a great deal of information about lone-parent families over time as these have been studied in a number of surveys over the 1990s. There is much less information about low/moderate-income couples for two reasons: first, there have been fewer surveys concentrating on them; second, the definition of low/moderate-income has changed, making comparisons difficult. For example, in their 1991 survey, Marsh and McKay (1993) included all those whose income was up to the level of Family Credit plus 25 per cent. Their SOLIF survey (carried out in 1999) included all those whose income was up to the level of Family Credit plus 35 per cent, and the structure of Family Credit itself had changed during that time. So these are rather different groups and cannot be directly compared. Nevertheless some comparisons can be cautiously made.

Cohabitation increased dramatically from 11 per cent of couples in the 1991 survey to 19 per cent in 1999. Cohabitation was even more closely
linked with social disadvantage in 1999 than in 1991 (Marsh et al, 2001). There was also a trend towards smaller families, with the average number of children per couple falling from 2.4 to 2.2. The largest fall was among Family Credit recipients (from 2.7 in 1991 to 2.3 in 1999). The age distribution has remained very similar, with just over half having one child under five. The parents themselves, however, were getting a little older, with the average age of mothers rising from 33.7 in 1991 to 35.6 in 1999 (Marsh et al, 2001).

2.4.1 Lone-parent families

This section looks in more detail at some basic demographic information on lone parents. The average age for all lone parents in 1999 was 35 (see Table 2.3). Non-working lone parents were much younger, on average, than those on moderate or high incomes in work. Single never-married lone mothers in 1999 were the youngest of all lone parents and yet, on average, they were still in their late 20s (Marsh et al 2001). Lone mothers who had previously had a partner were more likely to be in their mid 30s and lone fathers and widowed lone mothers tended to be in their early 40s.

Table 2.3 Median age – lone parents

<table>
<thead>
<tr>
<th>Lone parent type:</th>
<th>Base</th>
<th>Median age in years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Father</td>
<td>145</td>
<td>43</td>
</tr>
<tr>
<td>Divorced mother</td>
<td>556</td>
<td>38</td>
</tr>
<tr>
<td>Mother separated from marriage</td>
<td>446</td>
<td>36</td>
</tr>
<tr>
<td>Mother separated from cohabitation</td>
<td>615</td>
<td>31</td>
</tr>
<tr>
<td>Single mother</td>
<td>547</td>
<td>28</td>
</tr>
<tr>
<td>Widow</td>
<td>77</td>
<td>43</td>
</tr>
<tr>
<td>All</td>
<td>2386</td>
<td>34</td>
</tr>
</tbody>
</table>

Base: All lone parents giving sufficient details of relationships (four per cent missing data).
Source: Marsh et al (2001)

Half of all lone parents had only one child. And indeed single never-married lone mothers were more likely than any other lone-parent family type to have only one child (see Table 2.4). Family size decreased as incomes rose. A number of explanations for this are possible. For example, it could be that lone parents who are more likely to be on moderate or high incomes are older and have seen their oldest children become non-dependent. Or it could be that lone parents find it easier to work full-time and hence have a higher income if they only have small families. There is great diversity among lone-parent families in terms of whether or not they have pre-school age children (see Table 2.4). About half of lone mothers separated from cohabitation had children under five in 1999, rising to two thirds among single never-married lone mothers. Other lone-parent families were much less likely to have children under the age of five. This link between the route into lone parenthood and the age of the youngest child is quite easy to explain, as mothers become lone parents by having a baby. They do not remain lone parents forever and so it is not surprising that a high proportion have very young children.
Table 2.4 shows two seemingly contradictory trends – better-off lone parents were more likely to have small families but so were single mothers (who are not, typically, amongst the better off). The key to understanding this is to see that better-off lone parents have small but older families, whereas single mothers have small but young families.

Table 2.4  Number of children and age of youngest child – lone parents

<table>
<thead>
<tr>
<th>Lone parent type:</th>
<th>Number of children</th>
<th>Age of youngest child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>1</td>
</tr>
<tr>
<td>Father</td>
<td>145</td>
<td>60</td>
</tr>
<tr>
<td>Divorced mother</td>
<td>556</td>
<td>45</td>
</tr>
<tr>
<td>Mother separated</td>
<td>446</td>
<td>30</td>
</tr>
<tr>
<td>from marriage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother separated</td>
<td>615</td>
<td>47</td>
</tr>
<tr>
<td>from cohabitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single mother</td>
<td>547</td>
<td>67</td>
</tr>
<tr>
<td>Widow</td>
<td>77</td>
<td>53</td>
</tr>
<tr>
<td>All</td>
<td>2386</td>
<td>49</td>
</tr>
</tbody>
</table>

Base: All lone parents giving sufficient details of relationships (four per cent missing data).
Source: Marsh et al (2001)

Research has demonstrated a strong link between single never-married lone motherhood (and teenage lone motherhood) and social class, with those from working class backgrounds being much more likely to become lone mothers (Rowlingson and McKay, 2001 forthcoming). This fits in with the ‘lack of marriageable men’ hypothesis mentioned above (Garfinkel and McLanahan, 1986; Wilson 1987, 1996). Research has also shown that lone parents appear to be concentrated in particular parts of the UK. Analysis of the 1997 Labour Force Survey found that the highest rates of lone motherhood can be found in the metropolitan areas – particularly inner London, sub-regions of Merseyside and Tyne and Wear. More than a third of inner London families (36 per cent) are headed by a lone mother compared with 21 per cent for outer London (Holtermann et al, 2000). These areas are still experiencing lack of labour demand and Turok and Edge (1999) argue that government policy has so far failed to address these issues sufficiently. Rather than focusing on supply-side issues (such as improving people’s motivation to work, job-seeking skills and employable skills), the government should, in their view, be considering demand-side issues such as attracting employers to areas where joblessness is high.

There has been very little research on lone parenthood and disability despite the fact that lone parents and their children generally suffer from poor health (Marsh et al, 2001, see also Chapter 4 here).
2.4.2 Low and moderate-income families

This section now turns to demographic information on low- and moderate-income couples families. In terms of age, this group (particularly the mothers within these couples) were similar to lone parents – with a median age of 35. Partners were generally a couple of years older than the mothers. There was relatively little variation by work/benefit status but there was some variation in terms of family history (see Table 2.5). Traditional married couples were the oldest. Post-dated cohabiting couples were the youngest. This follows on from previous research (cited above) that has shown cohabiting couples to be generally younger than married ones.

Table 2.5 Median age – couples

<table>
<thead>
<tr>
<th>Couple type</th>
<th>Base</th>
<th>Median age (years)</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>Respondent (mother)</td>
<td></td>
</tr>
<tr>
<td>Married traditional</td>
<td>1663</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Cohabiting traditional</td>
<td>129</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Married post-dated</td>
<td>318</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Cohabiting post-dated</td>
<td>119</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Married ex-lone parent</td>
<td>210</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Ex-lone parent cohabiting</td>
<td>147</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>All</td>
<td>2086</td>
<td>35</td>
<td>38</td>
</tr>
</tbody>
</table>

Base: All couples giving sufficient details of relationships (four per cent missing data)

Low and moderate-income couple families were generally larger than lone-parent families – 30 per cent had only one child compared with 50 per cent for all lone-parent families (Table 2.6). But the trend in terms of work/benefit status was reversed – non-working couples were more likely to have only one child compared with other couples (non-working lone parents were less likely than other types of lone-parent family to have only one child). Non-working couple families were less likely than other couples to have pre-school age children. Once again, this is different from the picture for lone-parent families. Non-working lone parents have (relatively) large, young families compared with other lone parents. Non-working couple families have (relatively) small, older families compared with other couples.

In terms of family history, there was much variation but cohabiting couples generally seemed smaller and younger (in terms of children’s ages) than other family types – no doubt linked to the younger ages of the parents (see Table 2.6).
Table 2.6  Number of children and age of youngest child – couples

<table>
<thead>
<tr>
<th>Couple type:</th>
<th>Number of children</th>
<th>Age of youngest child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>1</td>
</tr>
<tr>
<td>Married traditional</td>
<td>1163</td>
<td>31</td>
</tr>
<tr>
<td>Cohabiting traditional</td>
<td>129</td>
<td>43</td>
</tr>
<tr>
<td>Married post-dated</td>
<td>318</td>
<td>17</td>
</tr>
<tr>
<td>Cohabiting post-dated</td>
<td>119</td>
<td>40</td>
</tr>
<tr>
<td>Married ex-lone parent</td>
<td>210</td>
<td>15</td>
</tr>
<tr>
<td>Ex-lone parent cohabiting</td>
<td>147</td>
<td>29</td>
</tr>
<tr>
<td>All</td>
<td>2086</td>
<td>29</td>
</tr>
</tbody>
</table>

Base: All couples giving sufficient details of relationships (four per cent missing data).
Source: Marsh et al (2001)

In terms of ethnicity, Marsh et al (2001) find that almost one in ten (nine per cent) of low/moderate-income couples were Asian. A further four per cent were from other ethnic groups. Virtually all of the Asian families were married rather than cohabiting. This suggests that cohabitation, as defined and measured in current research, is strongly associated with the white community.

Family size can differ considerably between ethnic groups. The Fourth National Survey of Ethnic Minorities (Modood et al 1997) found that only four per cent of white families had more than three dependent children. Caribbean and African Asians were similar at seven and three per cent respectively, and Indian families were slightly larger (11 per cent had four or more children). However, Pakistani and Bangladeshi families were considerably larger with 33 per cent and 42 per cent of families having four or more children (larger families are also at greater risk of experiencing poverty, see Chapter 4).

2.5 Summary

The second half of the 20th century witnessed major changes in family structures. The growth of lone parenthood was only one part of this change which also included declining rates of first marriage, increasing rates of divorce, increasing rates of cohabitation, growing numbers of step-families and increases in the ages at which people had children, if they had them at all. There has been a great deal of research on some of the early trends, such as in divorce, and there is some research on slightly later trends, such as cohabitation (though this now appears to be getting a little dated). But there is much less research on some of the most recent developments, such as the increasing numbers of step-families.

Why have these changes occurred? There is no agreed wisdom on this. A range of factors is usually cited including those from a more structural perspective as well as those focusing more on changing culture and attitudes. From a structural perspective the changes in employment
patterns of men and women and changes in levels of inequality more generally are often mentioned, alongside changes in the welfare state and legislation around family life (such as divorce law). From a more cultural/individual perspective, it is argued that there have been major changes in sexual attitudes and behaviour, as well as changes in attitudes to relationships and parenting. The growth of individualism is often mentioned here and so is the growth of feminist ideas. The precise nature of the relationship between structural and cultural/individual factors is a debate that rages incessantly among academics. Whatever the result of this debate, it seems clear that changes in family life during the second half of the 20th century were part of a broader socio-economic trend from an industrial to a post-industrial society.

The result of these changes is that family life is much less stable than it was in the 1950s. People move in and out of different living arrangements. Researchers have sought to capture this but are increasingly hampered by the complexity of people’s lives. There is some evidence that the duration of lone motherhood is increasing – particularly for single never-married lone mothers. There is also evidence that cohabiting couples have much shorter relationships than married couples – but it is often difficult to compare like-for-like in this field of research.

The SOLIF study gives us an enormous amount of information about lone parents and low/moderate-income couple families. A fairly new group of lone parents - those separated from cohabiting partners - is becoming far more prominent. These share some characteristics with single never-married lone mothers and some with ex-married lone parents. A typical lone parent is in her mid 30s with one (or perhaps two) children. She is separated from a partner and living in rented accommodation. But there is much diversity among lone parents and so it is perhaps a little misleading to concentrate too much on ‘typical’ lone parents at the expense of this diversity. Lone parenthood is a stage in the lifecycle for most lone parents rather than a lifelong family form. Low/moderate-income couples are also a diverse group in relation to marital status, age and family type. We know less about this group than we do about lone parents but further analyses of the SOLIF data will tell us more.4

4 A second wave of data from SOLIF 2000 will be available in early 2002 and a third wave of the survey in 2001 (which will include higher-income couples as well) will yield data in early 2003. Reports based on SOLIF 2000 will be published by the Department for Work and Pensions in late 2001/early 2002.
This chapter outlines recent research on families and paid work. The first section discusses the economic activity of parents as individuals. The second section shifts to a household focus. The third section takes a more dynamic view and examines what we know about employment participation of families over time and about the nature and extent of transitions in and out of work.

3.1 Parents and economic activity

There have been a number of recent literature reviews that have examined the changing situation of parents in the labour market, as shown in Figure 3.1. Our review is necessarily shorter and more limited. We start by looking at employment participation on an individual level and in particular examine the research which has sought to explain variations in the employment participation rates of mothers. The focus here is upon paid employment, not work in the wider sense of both paid and unpaid work.

Figure 3.1 Families and paid work: recent reviews

<table>
<thead>
<tr>
<th>Title</th>
<th>Contents</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone parents and the labour market: results from the 1997 LFS and review of research</td>
<td>Sources on information on lone parents and the labour market; trends in lone parenthood; trends in employment; influences on employment; living standards and well being.</td>
<td>Holtermann et al (1999)</td>
</tr>
<tr>
<td>Families and the labour market: trends, pressures and policies</td>
<td>Trends in family and labour market; parenting and work; care work and paid work; incomes; health and well-being; public policies; employers and family-friendly employment.</td>
<td>Dex (1999)</td>
</tr>
</tbody>
</table>

---

5 These are all literature reviews that focus on families and employment. See also Burghes et al (1997) and Lewis, C (2000) for recent reviews relating to fatherhood, which range more widely but include discussions of issues relating to fathers and employment. The Social Focus on Families (ONS, 1997) and the Social Focus on Men (ONS, 2001) also provide summaries of statistical data and trends, including employment issues.
Figure 3.2 shows the overall picture of economic activity among parents in different types of family in Great Britain in the late 1990s. The charts for men look very different from those for women. Most fathers are economically active and most work in full-time jobs of more than 40 hours per week. Lone fathers have the lowest activity rates and both cohabiting and lone fathers are more likely to be unemployed than are married fathers. Among the mothers, married mothers have the highest rates of economic activity and the lowest unemployment rates. The most typical hours of work are between 16 and 30 per week. Cohabiting and divorced mothers have very similar patterns of economic activity. Single mothers have the lowest rates of activity and the highest unemployment rates.

Men in the UK work longer hours on average than men in any other EU countries and working hours have increased in recent years (Brannen et al, 1997). In 1998, average hours for fathers were about 47 per week including overtime, two hours longer than was the case in 1988. For mothers the average working week increased over the same period from 27 to 33 hours (Harkness, 1999).
Becoming a father has very little impact on employment, and there seems to have been little or no change in this over the years. About 21 per cent of men working in the private sector and about 35 per cent in the public sector are working for employers who offer parental leave, and although most men (93 per cent) take some time off work when their children are born, most do this as annual leave and take only a few days (Dex, 1999). Men with young children tend to work long hours and are more likely to do overtime than childless men (Warin et al, 1999).

Women now return to work sooner after the birth of children. In 1979, 24 per cent of women who were in employment when they became pregnant returned to work within about 9-11 months of the birth. By 1988, this had risen to 45 per cent and by 1996 to 67 per cent, including 24 per cent who returned to full-time jobs. Most of these women went back to the same employer (86 per cent) and they were less likely than women in the 1970s to have suffered downward occupational mobility on their return to work (Callender et al, 1997). About half say they go back mainly for financial reasons, about a quarter give reasons related to self-fulfilment and career (ONS, 1997). Dex (1999, p 33) in reviewing the evidence on women’s return to work after childbirth, suggests that:

‘A polarisation seems to be occurring between higher status, higher waged women and the less educated and qualified … Whilst the former group remain in their jobs, or only take a short break (and so are more likely to retain their employment benefits), the latter group are likely to have longer breaks from work, more part-time weekly hours, more jobs with non-standard employment contracts and less job security.’
Labour Market Trends (ONS, 2001) summarises the 2000 Labour Force Survey data on women’s employment. This shows employment rates in spring 2000 for married mothers of 70.1 per cent compared with 48.6 per cent for lone mothers. For those with pre-school children the rates are 60.5 per cent for married mothers and 31.6 per cent for lone mothers.

Brannen and Moss (1991) highlighted the difficulties that mothers may have in sustaining employment over the first few years. They found that more than a third of the women who returned to full-time employment within nine months of the birth did not remain in employment up to the child’s third birthday.

Table 3.1 shows how mother’s employment rates vary with ages of children by family type. Three points stand out:

- employment increases as children get older for women in all family types.
- women with partners always have higher employment rates than lone mothers, but the gap closes as children get older.
- part-time work is almost always more common than full-time work.

The two groups of women most different from each other in terms of levels of employment are married mothers and single never-married mothers. Nevertheless, the single mothers had almost exactly the same pattern of employment by age of children as did the married women, but at much lower rates. So did divorced women, although among those who worked a higher proportion worked full-time. Cohabiting women were the most likely to be in full-time jobs, across all ages of children, and those with a youngest child aged 10 to 15 were more likely to be working full-time than part-time.

Table 3.1 Mother’s employment by family type and age of youngest child, 1997

<table>
<thead>
<tr>
<th>Age of youngest child</th>
<th>Married mothers</th>
<th>Cohabiting mothers</th>
<th>All partnered mothers</th>
<th>Divorced mothers</th>
<th>Separated mothers</th>
<th>Widowed mothers</th>
<th>Single mothers</th>
<th>All lone mothers</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>47</td>
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</tr>
</tbody>
</table>

Source: Holtermann et al, 1999, Table 4.4.2.

Labour Market Trends (ONS, 2001) summarises the 2000 Labour Force Survey data on women’s employment. This shows employment rates in spring 2000 for married mothers of 70.1 per cent compared with 48.6 per cent for lone mothers. For those with pre-school children the rates are 60.5 per cent for married mothers and 31.6 per cent for lone mothers.
Part-time work has been rising, especially for women, and there has also been an increase in other forms of non-standard employment. Self-employment has risen rapidly over the past two decades, and the self-employed are a very heterogeneous group with a wide distribution of income (Meager et al., 1994). Eardley and Corden (1996) focus upon low-income self employment, including those within the range of in-work benefits. Two-parent families are more likely to be self-employed than lone parents, and men are more likely to enter self-employment from unemployment than are women. Self employment is also relatively common among Asian families (Metcalf et al., 1996). Home-working shares some of the same characteristics as self-employment in that home-workers also include both very low-paid and relatively high-paid workers. Hakim (1998) used Census and Labour Force Survey data to map out the extent and nature of home-working in Great Britain, excluding those who are living in ‘tied’ housing (such as farmers, publicans). She found that women with dependent children were the most likely to be homeworkers (6.1 per cent in 1996 compared with 2.4 per cent of all adults). Women with pre-school children had the highest rates of homeworking (7.5 per cent). Dwelly (2000) suggests that the poorest workers are being excluded from the benefits of working from their homes because they lack access to information technology.

3.1.2 Non-standard employment

3.1.3 Explaining mothers’ employment patterns

Brannen et al (1997), in an analysis of LFS data for 1984, found that mothers were more likely to be employed if they lived with an employed partner, had a partner in a non-manual job, had smaller families and older children, had higher qualifications and were white. They were less likely to be employed if they lived with an unemployed partner, or a partner in a manual job, or no partner, if they had three or more children, no qualifications and were from an ethnic minority group. Holtermann et al (1999) also used LFS data (from 1997) and found that mothers’ employment varied with age, number and ages of children, educational qualifications, area of residence, ethnicity and housing tenure. Similar factors affected lone and married mothers: ‘like couple mothers, lone mothers are more likely to be in employment if they are older, have children of school age, have fewer children, have qualifications and if they are Black Caribbean … [and] if they are owner occupiers’. These two studies thus show a similar picture of the factors affecting parental employment, except for the impact of ethnicity (although this may be a consequence of differences in the extent in which ethnicity is differentiated into different sub-groups in the two studies). Other research (Bartholomew et al., 1992; Owen, 1994; Modood, 1997) tends to confirm the findings of Holtermann and her colleagues – black Caribbean mothers have the highest employment rates, followed by white mothers, and then by Pakistani/Bangladeshi women, who have much lower employment rates (and whose husbands also have much higher unemployment rates).
The Holtermann analysis also showed that the impact of educational qualifications was particularly important for women with pre-school children and for lone mothers. For example, couple mothers with educational qualifications were twice as likely to be employed as those with no qualifications. Couple mothers with pre-school children and NVQ 4/5 or above were two and a half times more likely to be employed as those with no qualifications (73 per cent compared with 29 per cent). Among lone mothers, those with NVQ level 4/5 or above were four times as likely to be employed as those with no qualifications (44 per cent compared with 12 per cent).

Both studies look at trends over the previous decade, so going back to the mid 1980s. These showed a rapid rise in married mothers’ employment rates, especially in full-time jobs and especially among those with pre-school children and with educational qualifications. For example, in 1984 about 41 per cent of married mothers with a child aged under five were employed, rising to 45 per cent in 1990 and to 58 per cent in 1997. In 1990 about 14 per cent of women with children in this age group were working full-time; by 1997 this had risen to 21 per cent. Married mothers with NVQ level 4/5 and above had employment rates of 60 per cent in 1990 and 73 per cent in 1997. The occupational profile of jobs also improved, with more non-manual and skilled jobs (although these were still the minority).

But lone mothers did not share in any of these trends over this time period. Overall their employment rates hardly changed, from 41 per cent in both 1984 and 1990 to 45 per cent in 1997. Lone mothers with pre-school children did have a slight increase in employment rates between 1990 and 1997 (from 22 to 28 per cent) but rates actually fell for those with older children. The rates also fell slightly for those with higher educational qualifications and there was no upward movement in occupational profile. Thus the employment gap between married mothers and lone mothers has widened, especially in the 1990s.

Holtermann et al (1999) investigate whether the differences in employment rates of lone and partnered mothers (i.e. including married and cohabiting mothers together) can be explained by differences in the characteristics of the two groups. They conclude that the employment gap remains large even after controlling for factors such as age, age of youngest child, number of children, educational qualifications and ethnic group. But differences in composition did explain why the employment rates of lone and partnered mothers diverged in the 1990s, with growing numbers of single mothers keeping overall employment rates for lone mothers down.

Employment has been rising and registered unemployment falling in recent years, but against a background of considerable inequality in the labour market. In the 1980s and 1990s, the distribution of male wages widened
considerably, there were more men in low-paid work, job losses were particularly high among unskilled men, and older men have much reduced levels of labour market participation. Overall, however, the proportion of fathers in employment has stayed at about 85 to 90 per cent since the mid 1980s, although unemployment rates have fluctuated with the economic cycle (Holtermann et al., 1999). Thus it is changes in women’s, rather than men’s, employment participation that have particularly affected families in the past 10 to 20 years. And there have been two opposing trends. On the one hand, the number of married mothers has declined and the proportion in employment has increased. On the other hand, the number of lone mothers has risen and the proportion in employment has scarcely changed. This latter may now be changing, with lone mothers’ employment rates on an upward trend since 1997. The Labour Force Survey for 2000 (ONS, 2001) shows that the employment rates for lone mothers rose by over five per cent between 1997 and 2000 while those for partnered mothers rose by just over two per cent. For lone mothers with children aged 11 to 15 there was an increase of about 5.5 per cent compared with less a rise of than one per cent for partnered mothers with children of this age. If these trends continue, the gap in mothers’ employment rates might be expected to start to close, especially between ex-married and married mothers, who share similar characteristics.

However, comparing lone and married mothers, as we have been doing, tends to point up the contrast between these two groups and these comparisons need to be placed in the wider context. First, these are comparisons of single points in time and do not show how employment participation changes for individuals over time. Rake (2000, p102), using BHPS data, suggests that divorced mothers have longer spells out of work than married mothers but also longer spells of full-time work. Secondly, lone and married mothers are all women and gender has an important influence on labour market position. Thirdly, and by contrast, it is also the case that there is increasing diversity and inequality in the position of women in the labour market (as there is with men). Thus the differences in employment patterns of lone and married mothers may also reflect selection effects, with lone mothers disproportionately drawn from women with poorer employment records and prospects while the opposite is true for married mothers (see Section 3.2.1). We need therefore to understand the broader picture of the situation of women in the labour market in order to place the employment of married and lone mothers in context.

7 The edited collection, *The state of working Britain* (Gregg and Wadsworth, 1999) provides an overview of these trends. See also Hills (1996).
Gender and Pay

Trends in women’s wages illustrate the point about increasing inequality among women in the labour market. For women in full-time work the pay gap between men and women has closed significantly, and in 1999 women full-time workers were earning on average 84 per cent of the hourly pay of men full-time workers (Rake, 2000). The gender pay gap is particularly small among young people. But part-time women workers have hardly caught up with men (in general) at all in pay terms, and women are also heavily over-represented among the low-paid and they stay in low-paid work for longer periods (Dex et al, 1994; Millar et al, 1997; Gosling et al, 1997; Desai et al, 1999).

The pay ‘penalty’ of motherhood

There is a pay penalty to motherhood, which is a consequence of mothers spending more time out of the labour market, having more part-time working and experiencing occupational downgrading (Joshi et al, 1996, 1999; Rake, 2000). The impact of having children is not just confined to the short term for women, but can mean a significant loss of earnings over the working life and this in turn can affect pension entitlement and incomes in retirement. Again there are variations among women. The timing of motherhood, the number of children, and the level of skill and qualifications all affect this, with low-skilled women in particular losing substantially, because children have a more significant impact on their work patterns.

Rake (2000) reports estimates of the ‘costs’ of children in terms of mothers’ lost earnings. This is a hypothetical analysis based on simulations of lifetime earnings for three types of women - low-skilled, mid-skilled and high-skilled. It models the impact of the number and timing of their children on their labour market participation and hence their gross earnings. The low-skilled woman has two children at age 23 and 26, this takes her out of the labour market for a period and then she returns to part-time work. This pattern, which was ‘typical’ in the 1980 Women and Employment survey, (Joshi et al, 1996), costs a low-skilled woman very heavily - with lifetime gross earnings foregone of £285,000, the total almost equally accounted for by lost years, reduced hours, and lost experience. The mid-skilled woman has two children at ages 28 and 31 and is likely to return to employment quickly after the first, but has a gap with her second child and works part-time until her children are older. This is an increasingly common pattern (as we have seen above) and it costs her about £140,000 in lost earnings (mainly through lost hours rather than lost years or experience). By contrast the high-skilled woman, who has children at 30 and 33, hardly has any gap, does not reduce her hours much and thus hardly loses any earnings - about £20,000. These are hypothetical cases and estimates based on simulations; but they do illustrate the highly unequal outcomes for women in different
circumstances. The study also estimates that a low-skilled never-married teenage mother of two children would forego over £300,000 in gross earnings over her working life.

**Type of jobs**

Women are particularly likely to be working in service sector jobs and there is a high degree of occupational segregation by gender. In 1995, 60 per cent of British women were employed in the ten most feminised occupations (Rake, 2000). Education is an important factor in determining occupational status, with more highly educated women the most likely to be employed in higher-status and well-paid employment (Kuh et al, 1997). Overall, lone and married mothers seem to have rather similar occupational profiles. In 1997, lone mothers were slightly less likely to be in professional jobs (1.8 per cent compared to 2.4 per cent of married mothers) and slightly more likely to be in ‘other non-manual’ (53 per cent compared with 48 per cent) (Holtermann et al, 1999). In the SOLIF study, 15 per cent of lone mothers worked in ‘retail, hotels and catering’, another 15 per cent in ‘banking, finance, insurance’ and 47 per cent in ‘other services, including health, social services’. For the partnered mothers (who were in low-to-moderate income families) the equivalent proportions were about 23 per cent, 9 per cent and 42 per cent (Marsh et al, 2001).

**Work aspirations**

Hakim (1996) has suggested that differences in women’s attitudes and orientations to work are a key factor explaining differences in women’s position in the labour market. She divides women into two groups: the ‘self-made women’ who are committed to employment and the ‘grateful slaves’ who value family above paid work and devote more of their energies to home than to employment. This analysis has been much criticised because it lays such a strong emphasis on individual aspirations and ignores structural constraints upon employment ‘choices’ (Crompton, 1997; Dex, 1999). Nor is there any evidence that lone and couple mothers have different attitudes to work. Marsh et al (2001) found that both lone and partnered mothers rejected the view that mothers should be discouraged or prevented from taking up paid work. The evidence from opinion polls suggests that mothers’ attitudes to work vary more by age than they do by marital status, with older women holding more ‘traditional’ views (Bryson et al 1998; Jarvis et al, 2000; Hinds and Jarvis, 2000). Le Valle et al...
al (1999) found that lone mothers were more likely to give financial need as the main reason for working than were married mothers (59 per cent compared with 29 per cent) but both also pointed to the intrinsic satisfactions of working.

Bradshaw and Millar (1991) asked lone mothers about their employment preferences - if they were working, did they want to stop work, if they were not working did they want a job. They found that the preferred employment rate for lone mothers was very similar to the actual employment rate among married mothers - at that time about 55 per cent. In the SOLIF study (Marsh et al, 2001) the same sort of calculation gives a 'preferred' employment rate for lone mothers of 59 per cent - a little below the 62 per cent of married mothers currently employed, but very close.

There has been relatively little research on how children experience parental employment and the impact of this on their everyday lives. There have been some attempts to compare outcomes for children of parental employment. As with the research looking at outcomes for children of different family structures (see Chapter 6) this is a complex area methodologically, with many intervening variables that are difficult to control. There are two recent studies that have used panel data to explore this topic. Joshi and Verropoulou (2000) used data from two birth cohorts (the 1958 National Child Development Study and the 1970 Birth Cohort), and Ernisch and Francesconi (2000) used British Household Panel Survey data. The studies tend to focus on mothers rather than fathers because there is little variation in fathers' employment patterns (most fathers work full time, as discussed above). Both sets of authors are careful to point to the limitations of what these studies can do and to urge caution in the interpretation of their results. In particular, in neither case is there any information available on the type, quality and quantity of childcare for the children. Poor quality care may be one factor in creating negative outcomes (see Chapter 7 here for further discussion of childcare issues). Nor are there any measures of the time parents actually spend with their children and how this varies with employment status. And the impact of maternal employment may be different now, when more mothers are engaged in paid work, than it was for children growing up in the 1970s and 1980s.

Joshi and Verropoulou (2000) focused on second-generation NCDS children, that is children born to the original 1958 birth cohort and aged between five and 17 in 1991, when the outcomes were measured. The children were therefore born between 1974 and 1986, and the mothers were aged between 16 and 28 at the time of birth. The study focussed on four outcome measures, two cognitive (reading and mathematics test scores) and two behavioural (two scaled tests, completed by the mothers, assessing factors such as anti-social behaviour, anxiety, dependency). Five outcomes were measured for the children in the 1970 Birth Cohort.
Two were cognitive (mathematics and reading test scores at age 10), while the other three were longer-term adult outcomes (teenage motherhood, highest academic qualification gained by age 26 and time spent unemployed at age 26).

The results were rather mixed, with both positive and negative outcomes for children at different ages, but in general any effects found were small and of less importance than other factors, such as mothers’ educational attainments, poverty, and parental unemployment. From the NCDS mother’s employment in the pre-school years had a statistically significant negative impact on children’s reading scores but not on the other outcome measures. Mothers’ employment when children were at primary school was associated with some positive behavioural outcomes, in particular with lower levels of anxiety. In the Birth Cohort analysis, mothers’ employment was negatively related to highest qualifications achieved by children, but not by much, and no statistically significant effects were found for the other adult outcome measures.

Ermisch and Francesconi (2001) adopt a slightly different approach, comparing outcomes not just between families but also within families, the latter by comparing outcomes for pairs of siblings. This provides a partial control for unmeasured family background factors, on the grounds that these are broadly the same for siblings growing up in the same family. They looked at four main outcome measures: educational attainment (achieving an A level or equivalent), unemployment and economic inactivity as young adults, mental health problems (measured by subjective indicators of personal well-being on a 12 point scale) as young adults, and early childbearing (women giving birth before age 21). The children were born between 1970 and 1981.

Overall they found little impact from mothers’ part-time employment but there were some statistically significant effects from mothers’ full-time employment. Again these varied with age of children. Longer periods of full-time work for mothers of pre-school children were associated with a reduced chance of gaining an A level or equivalent, with a higher risk of unemployment in early adulthood, with a higher risk of experiencing psychological stress in early adulthood, but with a lower chance of early pregnancy. But the outcomes were different for children when they were of primary school age, when mother’s employment seems to have had more positive effects on educational attainment, employment and psychological distress measures but more negative effects on early childbearing. In general the sibling comparisons showed stronger effects than the between family comparisons, which partly accounts for the differences between this study and that of Joshi and Verropoulou.

In their interpretation of these results, Ermisch and Francesconi suggest that there seems to have been a ‘trade-off’ between income and time.
The mothers’ full-time work reduced time with pre-school children with some apparently adverse consequences, but on the other hand their full-time work probably meant that they could maintain higher family income over the children’s entire childhood. Thus mother’s employment can have a positive impact by reducing the risk of poverty but at the cost of less time for children. The authors suggest that policy should seek to encourage part-time, rather than full-time, employment during the pre-school years.

Further work is needed and with a wider range of outcome measures. However these findings of some negative and some positive effects, varying by age of children, but with little evidence of sustained and substantial harm, is also echoed in the US evidence discussed in Chapter 9. Negative outcomes for children are more likely to follow from the experience of living in poverty in childhood than they are to follow from living with a mother in employment, especially part-time employment. Thus, as Joshi and Verropoulou (2000, p 25) conclude:

‘If there were systematic long-term disadvantages to most children whose mothers had been in the labour market when they were small, we would probably have found more sign of it … The evidence suggests that family poverty impairs a child’s prospects. Mother’s employment helps to keep children out of poverty, and does not appear to do much harm, in general’.

3.2 Household employment

Until recently much of the research has focused upon individuals, rather than families. However, there is an increasing emphasis in the literature on the importance of analysing employment at the level of the family or household. Looking at parents as couples, rather than as individuals, highlights the rise of the two-earner couple and the decline of the single-earner couple. Most of the married women who have entered the labour market over the past decade have been married to employed men – these are families making a transition from having one to having two earners, not from having none to having one (Gregg et al, 1999). Thus, as shown in Figure 3.3, two-earner families increased from about 50 per cent to about 62 per cent between 1985 and 1996. Sole earner couples with a male earner have declined from 38 per cent to 26 per cent of the total, and while the proportion with a female sole earner has increased (from two to four per cent), such couples are still a rarity. The proportion of couples with no one in work at stayed at about one in ten over the period between 1985 and 1996. Aside from the experience of unemployment, there is a clear lifecourse pattern here, which is of course the same as the pattern we observe for mothers’ employment – couples with older children are more likely to have two earners. Thus, of couples with secondary school age children, 30 per cent have two full-time earners, 44 per cent have one full-time and one part-time earner and just 13 per cent are sole earner families.
Two-earner couples with children are therefore increasingly the norm, particularly among families with school-age children. The most common pattern is for the man to be in full-time work and the woman to be in part-time work. Such families tend to work longer hours and more unsocial hours. Over a quarter have at least one parent who regularly works evenings or nights (Harkness, 1999). If they both work full-time they are more likely to share domestic work, but if the woman works part-time she also does the bulk of the domestic work (Dex, 1999). The higher paid couples often buy in domestic labour and childcare (Gregson and Lowe, 1994). Two-earner couples are the family type most likely to use formal childcare but many also work hours that allow them to ‘shift parent’, with fathers providing childcare while mothers are out working, and vice versa. Family activities – such as eating meals together, going out in the evenings, going on holiday – do not seem to vary much in one earner or two-earner families, except where the fathers were working long hours (Ferri and Smith, 1996). In general, two-earner couples are generally satisfied with their jobs, but again less so if they have long hours of work (Dex, 1997).
At the other extreme are the workless couples and Dorsett (2001) has used Labour Force Survey data from 1994 to 2000 to examine the characteristics of this group. This showed that, for men, about half were unemployed and the other half were mostly inactive because of ill health. The women, by contrast, were mostly inactive because they were looking after home and/or children. The average age in these families was around 40 (the men were slightly older), most were white and UK-born, the men were more likely to have had work experience and vocational qualifications than were the women. Strikingly, the couples seemed very alike in a number of respects, not just in personal and human capital characteristics (age, ethnicity, country of origin, qualifications, education,
disability and health) but also in labour market experience (type of worklessness, duration of unemployment, work experience, length of time since last job, and whether last job was manual or non-manual).

3.2.1 Children and employment

A complete picture of household labour supply would also include children, but few studies have considered this. Dex et al (1995) calculate that adult children add about 12 hours per week to the mean of total household hours of work. Dependent children may also be in employment and in some cases contributing towards the household income (for a good overview see Pettitt, 1998 and the edited collection of Mizen et al, 2001). Recent surveys of child employment indicate that the majority of British children are engaged in some form of paid employment before they leave school (Hibbert and Beatson, 1995; Hobbs and McKechnie, 1997). Hibbert and Beatson’s (1995) nationwide survey for the DfEE found that just over half of all 13–15 year olds had worked at some time during the year. However, this is an underestimation of the numbers of children working as no children under the age of thirteen (the legal age for employment) were included. In a review of child employment studies Hobbs et al (1996) estimated that around 30 per cent of 12 year olds and 20 per cent of 11 year olds have jobs.

There has been some debate about the influence of economic circumstances on children’s decisions to work. Hobbs and McKechnie (1997) argue that many working children do not need to work for economic reasons. A children’s questionnaire carried out as part of the Small Fortunes survey found that children in two-parent families were more likely to work than children in lone-parent families or Income Support families. However, although poorer children were less likely than more affluent children to work, when they did they tended to earn more because they had either more jobs and/or worked longer hours (Middleton et al, 1998).

Several studies have pointed to the importance of children’s contributions to low-income families’ finances. A recent study of child employment in North Tyneside by the Low Pay Unit found that six per cent of their sample of working children had given money to their parents (O’Donnell and White, 1998). Middleton et al (1998) found that working children contributed six per cent of family income in lone-parent families and families on Income Support. Qualitative research carried out for the ESRC Children 5–16 programme found that while for all children the prime motivation to work was to earn money, work was also a direct consequence of need for low-income children. Poor children in the study were making a contribution to the household economy, either indirectly through providing their own clothes, leisure activities etc, or directly, through buying groceries and lending money to their parents (Mizen et al, 2000).
There are, as would be expected, differences in levels of weekly income according to whether families have two full-time earners, one full-time and one part-time earner, or one sole earner (Dex, 1999). Mostly women earn less than their partners and contribute, on average for all couples, about 30 per cent of family income (Rake, 2000). Nevertheless women’s earnings are an important factor in keeping families out of poverty (Millar et al, 1997; Dex, 1999). Harkness et al (1996) estimate that the poverty rate would have been about 50 per cent higher in 1991 if it had not been for women’s earnings. Income inequalities across families would also have been much greater without women’s earnings (Machin and Waldfogel, 1994). Iacovou and Berthoud (2000) show that, among workless families moving into employment, only those who had two full-time earners had a high chance of escaping poverty (85 per cent compared with 57 per cent of those with one full-time and one part-time earner and 33 per cent of those with a sole earner).

Among one-earner families, in-work benefits have assumed an increasingly important role in supporting family incomes. Lone parents in employment are rarely reliant upon their wages alone. In the SOLIF sample, 60 per cent of the working lone parents were receiving in-work benefits and 40 per cent were receiving child support payments. Without these additional sources of income, most working lone parents – even those working full-time – would find it hard to escape poverty. Millar et al (1997) estimated that about half of low-paid lone mothers were lifted out of poverty by in-work benefits. The PRILIF studies consistently show that a combination of income from different sources – wages, benefits, child support – is essential for working lone parents to achieve an adequate income. Even so, lone parents receiving Family Credit did not necessarily escape financial hardship although they had lower levels of hardship than those receiving Income Support (Marsh and McKay, 1993; McKay and Marsh, 1994; Marsh et al, 2001).

Couples with just one earner seem to be in a similar situation, with in-work benefits playing an important role in preventing poverty and hardship. In the SOLIF study about 40 per cent of the sample of low-to-moderate income couple families were receiving in-work benefits. However, one-earner couples have lower take-up rates for benefits than employed lone parents. These ‘eligible non-claimants’ were the most likely of all couples to be in income poverty (88 per cent had incomes below 60 per cent of the median compared with 78 per cent of non-working couples and 68 per cent of couples receiving Family Credit), although they were not so badly off on other measures of hardship (Marsh et al, 2001).

Single breadwinner families, in which one wage can support a family, seem to be increasingly disappearing, except for very high earners. Either families have two earners (although not necessarily two full-time earners) or they have one earner and receive some in-work benefits. Millar et al
There has been an increasing research focus on examining labour market dynamics - changes in employment status over time - both for individuals and for couples; and in exploring the relationships between family change and employment change. Here we start by looking at lone parents, and then examine the BHPS data on employment transitions for low-income couples with children.

3.3 Labour market transitions

How does becoming a lone parent affect employment status? Holtermann et al (1999) review the literature on this topic and conclude that women who become lone parents are less likely to be employed before they became lone parents than are comparable women. Thus women who split up from couples had lower employment rates than married women in general and women who become single lone mothers had lower employment rates than other single women. They also conclude that there is a ‘marked’ tendency for employed parents to stop working when they become lone parents, again more so for single than for formerly married women10. The SOLIF results produce a similar picture of already low employment rates before becoming a lone parent, and these then tending to fall further. However there was also a substantial degree of continuity:

‘One simple but important finding is that the kind of lone parent that people are destined to become - either working or not working - is forecast by the circumstances prevailing at the break-up of the parents’ relationship. The majority of working mothers became working lone mothers. Non-working lone parents remained out of work and found it very difficult to move into work’


Thus, helping partnered mothers to maintain employment would mean that fewer women would enter lone parenthood from a non-working situation.

For those who stay lone parents, Finlayson et al (2000) analyse employment changes from 1991 to 1998 in the PRILIF lone-parent cohort. By 1999 about one-third of the original 1991 sample of lone-parents had re-partnered. Non-working women in 1991 were more likely than working women to have re-partnered by 1998, because they tended to be younger women. But those who re-partnered by 1998 were more likely to be in work than those who remained lone parents, particularly if their partner was employed. The sequence was not consistent - for some jobs came first, for others partners did.

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10 They also suggest that the evidence shows that unemployment and non-employment increases the risk of becoming a lone parent, see Chapter 2 for a discussion of selection into lone parenthood.
Among those who remained lone parents, the proportion in ‘full-time’ employment (16 hours plus per week) rose from 29 per cent in 1991 to 45 per cent in 1996 and 50 per cent in 1998. As Table 3.2 shows, almost seven in ten lone parents were in the same employment status in 1998 as they had been in 1991 - 24 per cent were in full-time work at both and 45 per cent were not in full-time work at either. Of those who changed status, five per cent left work and a quarter moved into work. Those most likely to stay in full-time work were Black Caribbean women, ex-married women, women with one child, and women without pre-school children. Those least likely to enter full-time work were women with young children (including those who had new births during the seven years), women with children with health problems, and women who had high hardship scores. The rate of return to work also slowed down over time, and this was especially the case for part-time work.

### Table 3.2 Changes in individual employment status, continuing lone mothers, 1991 and 1998

<table>
<thead>
<tr>
<th>Status in 1991</th>
<th>Not working</th>
<th>Working under 16 hours</th>
<th>Working 16 hours plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status in 1998</td>
<td>29</td>
<td>71</td>
<td>100</td>
</tr>
<tr>
<td>Not working or working under 16 hours</td>
<td>5</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td>Working 16 hours plus</td>
<td>24</td>
<td>26</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Finlayson et al (2000) Table 5.1

3.3.2 Employment transitions - couples

White and Forth (1998) use British Household Panel data from 1990 to 1995 to track ‘pathways through unemployment’. They suggest that couples have better chances of entering work from unemployment than single people, that in the medium term people tend to stay in the type of job they first enter (if they enter part-time work they stay in part-time work, if they enter self-employment they stay self-employed). Taylor (2000) also uses British Household Panel Survey data to examine employment transitions over a two-year period (based on the average of five two-year transitions, so using data from across the seven years). This showed that, among couples with children, the most stable employment was found among the two-earner couples (84 per cent have no change), then the sole earners (76 per cent no change) and the no-earner couples (69 per cent no change). When there were changes, the two-earner couples most often became one-earner couples (15 per cent), the one-earner couples became two-earner couples (18 per cent) and the no earners

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31 Bryson and White (1996a and 1996b) examine transitions from unemployment to self employment and in and out of self employment.
became one earner (25 per cent). Moves across the range (from none to two or vice versa) were less common but, where these did occur, it was the no-earner couples that were more likely to become two-earner couples (six per cent) than the two-earner couples were to become no-earner couples (one per cent). Couples with children also made more moves than childless couples, whose situation tended to stay stable. Dorsett (2001), analysing the situation of workless couples using Labour Force Survey data, found that there was a lot of stability from one year to the next. Men with children were more likely to exit unemployment (ILO definition) for work than were women with children for work (15 per cent employed after 12 months compared with nine per cent). Inactive men and women rarely changed status. Brewer et al (2001), also using LFS data, similarly find that ‘inactive’ people have high levels of stability.

Iacovou and Berthoud (2000) focus on the transitions made by low-income families with children, using pooled BHPS data. They identify various low-income groups: non-working families, in which no one had a job of 16 hours or more; low-income working families – where someone had a job and the family would have been within the range of eligibility for WFTC, and higher-income families – where someone was working and the family was outside the range of WFTC. Table 3.3 shows the number of years in these low-income groups. More families experienced low-income working than experienced non-working. About half (47 per cent) were never in either group and 16 per cent spent all seven years in either one or the other.

**Table 3.3 Number of years as part of a low-income family**

<table>
<thead>
<tr>
<th>Status in 1991</th>
<th>Non-working</th>
<th>Low-income working</th>
<th>Either</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>None</td>
<td>75</td>
<td>57</td>
<td>47</td>
</tr>
<tr>
<td>1 - 6 years</td>
<td>18</td>
<td>41</td>
<td>37</td>
</tr>
<tr>
<td>All seven years</td>
<td>7</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Iacovou and Berthoud (2000) Table 2.6

The study analysed individual and family movements in and out of these statuses, as well as exploring the relationship between family change and employment transitions. Key findings included:

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12 The WFTC threshold is close to 125 per cent of Family Credit, so these families have slightly lower relative incomes than the ‘low-to-moderate’ earners in Marsh et al (2001), where the threshold was 135 per cent of Family Credit.
Individual movements into and out of work

For men the significant factors predicting movements into work were related to ‘employability’ (e.g. work experience, education) or local labour market conditions (local unemployment rate). For women, both married and lone, age of youngest child played an important role. For all groups, those working in a ‘mini-job’ of less than 16 hours per week were more likely to move into a job of more hours than those without work, and the more hours in the ‘mini-job’ the stronger the effect. For women in couples, those who said they wanted a job were more likely to move into work, but this did not apply to lone mothers or to men. However, lone mothers who were looking for work and those who received training had higher rates of job entry. Thus for mothers, married and lone, age of youngest child and work-readiness (as measured by wanting work or working in mini-jobs) were key factors in predicting movements into work.

Family movements into and out of work

Women who split up from a partner were more likely to leave their jobs than women who remained with a partner. Lone mothers who found a partner were more likely to move into work than those who stayed lone mothers. Among couples, both men and women in workless families were much more likely to move into work themselves if their partner had moved into work. But if their partners left work, they were just as likely to stay in work as they were to leave. This suggests that ‘couples tend to move into work together but not to leave work together’ (ibid, p54). Iacovou and Berthoud (2000, p 59) sum up their results:

‘we have presented convincing evidence that movement into work in workless families is related to the presence or absence of a partner, and to the behaviour of other family members. In particular, those people who get a working partner, or whose non-working partner moved into employment, were much more likely to go into work than other people.’

They go on to argue for the importance of taking a ‘family perspective’ in policy and in particular that ‘more attention should be given to women’s work prospects’ and that the focus should be on the ‘double work package’ rather than the single-wage earner (ibid, p93). This is an important point for future research.

3.4 Summary

This chapter has reviewed evidence on parental employment, taking both an individual and a family perspective and looking both at current status and changes in employment over time. The employment of mothers is clearly related to their responsibilities for the care of children while the employment of fathers is more related to their responsibilities for financial provision. There is a ‘family lifecourse’ pattern to paid work, with families very likely to be one-earner families when children are young and two-earner families as their children grow older. Lone mothers
follow a similar pattern but at lower rates of employment than married mothers. But not all mothers are the same, and in particular women with educational qualifications have higher rates of engagement with the labour market, and have better jobs and pay, than women without qualifications. Decisions about work are not simply individual decisions but depend on family circumstances. Married mothers are more likely to be employed if they have an employed partner, lone mothers are also more likely to be employed if they find a new partner who is employed. In Chapter 8 we review evidence on the factors affecting the employment decisions of families. One-earner families, whether lone parents or couples, are likely to be at a high risk of poverty unless they can supplement their incomes from other sources.
This chapter brings together evidence on the level, duration and experience of poverty for families with children. It will address issues of financial management, debt and financial exclusion. It will also consider evidence of the impact of poverty on the health and well-being of adults and children in poor families.

4.1 Which families are poor and why? There are several valuable sources of data for examining the trends in family poverty and social exclusion (see Figure 4.1). Here we focus on the factors that influence the chances of experiencing income poverty.

Figure 4.1 Key quantitative data sources for information on family poverty

<table>
<thead>
<tr>
<th>Source</th>
<th>Sample</th>
<th>Coverage</th>
<th>Data analysis references</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOLIF Survey of Low-income Families</td>
<td>5,400 benefit units</td>
<td>Lone-parent and couple families, low to moderate incomes, including small sample of high-income lone parents. Geographical coverage GB, but no breakdown regionally.</td>
<td>Marsh et al (2001)</td>
</tr>
<tr>
<td>PRILIF Lone Parent Cohort Study 1991 – 1998</td>
<td>730 lone parents</td>
<td>Forms part of the PSI Programme of Research Into Low-Income Families (PRILIF). Geographical coverage GB, but no breakdown regionally</td>
<td>See Appendix B</td>
</tr>
</tbody>
</table>
### Table 4.1 Data Analysis Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Sample</th>
<th>Coverage</th>
<th>Data analysis references</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty and Social Exclusion Survey of Britain (PSE)</td>
<td>ONS Omnibus Survey 1,855 GHS Follow-up 1,534</td>
<td>Survey of public perceptions of necessities in life for all adults and children. 2 Stages data, ONS Omnibus Survey questions about ‘necessities of life’. GHS follow-up interviews with low-income respondents, asked which items of 50 socially perceived necessities they lacked, among other questions. Geographical coverage GB and regional analysis</td>
<td>Gordon <em>et al</em> (2000)</td>
</tr>
</tbody>
</table>

NB: Surveys provide data on a variety of levels: individual, household and benefit unit. Households are defined as a single person or group of people at the same address who share one meal a day or living accommodation. A household may contain several family units, or benefit units. A benefit unit is defined as a single adult or heterosexual couple living as married and their dependent children.
Table 4.1 shows the risk of experiencing income poverty for adults of working age by different family characteristics and household types. This is based on data from the Households Below Average Incomes series (HBAI) and uses 60 per cent of median income before and after housing costs. On both measures adults living in workless households are particularly likely to be income poor (39 per cent before housing costs and 56 per cent after housing costs) but those in households with part-time workers are also at a higher risk of poverty (31 per cent after housing costs) than those with full-time workers (six per cent after housing costs). Adults living in single parent households are at the greatest risk of falling below the 60 per cent of median income threshold, 30 per cent before housing costs, rising to 55 per cent after housing costs are paid. On both measures adults in families with three or more children are approximately twice as likely to be in poverty as families with only one child. The risk of poverty for adults in households headed by a member of an ethnic group is substantially higher than for white-headed households. The severest risk of poverty is found among Pakistani and Bangladeshi households where over half of the adults (54 per cent) are poor before housing costs are paid, and 62 per cent are poor after housing costs, (see Chapter 6 for a discussion of the corresponding risks for children of experiencing income poverty).

Table 4.1 Proportion of individuals of working age below 60 per cent of median income (before housing costs (BHC) and after housing costs (AHC), by family characteristics and household type in 1999/00

<table>
<thead>
<tr>
<th>Economic status</th>
<th>Percentage of group below 60% median income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BHC</td>
</tr>
<tr>
<td>Working full-time</td>
<td>4</td>
</tr>
<tr>
<td>Working part-time</td>
<td>23</td>
</tr>
<tr>
<td>Not working</td>
<td>39</td>
</tr>
<tr>
<td>Family Type</td>
<td></td>
</tr>
<tr>
<td>Couples with children</td>
<td>14</td>
</tr>
<tr>
<td>Couples without children</td>
<td>9</td>
</tr>
<tr>
<td>Singles with children</td>
<td>30</td>
</tr>
<tr>
<td>Singles without children</td>
<td>15</td>
</tr>
<tr>
<td>Pakistani &amp; Bangladeshi</td>
<td>54</td>
</tr>
</tbody>
</table>

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13 Two measures of income are used in the HBAI, before housing costs and after housing costs. However, the costs of housing can be misleading. For example, BHC figures for tenants may reflect higher rents, leading to higher Housing Benefit payments, and are not a true indication of the individual’s living standards.
### Table 4.1  Continued

<table>
<thead>
<tr>
<th>Numbers of children</th>
<th>BHC</th>
<th>AHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>1</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>3 or more</td>
<td>30</td>
<td>39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnic group</th>
<th>BHC</th>
<th>AHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Black Non-Caribbean</td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td>Indian</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Pakistani &amp; Bangladeshi</td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>Other</td>
<td>22</td>
<td>35</td>
</tr>
</tbody>
</table>

| All working age adults | 14 | 19 |

Source: Households below Average Income (DWP 2001, Table 6.9)

### 4.1.1  Employment status

Economic and labour market factors contribute to income inequalities. The Joseph Rowntree Inquiry into Income and Wealth pointed to growing gaps between the richest and the poorest and between those reliant on benefits and those with earnings. Two-earner couples and single working people dominated the top of the income distribution and workless households were concentrated at the bottom. (Hills, 1995; 1996; 1998). Workless households with children are particularly at risk of income poverty. In 1999/00, 72 per cent of individuals in workless couple families with children and 76 per cent of individuals in workless single households with children were in the bottom fifth of the income distribution (after housing costs) (DWP 2001). There has been an increasing polarisation between work-rich and work-poor households, and longer periods out of work especially for those without a working partner (see Chapter 3). However, employment does not necessarily protect families from poverty; latest HBAI figures for 1999/00 show that of working households after housing costs 13 per cent of couples with children and 23 per cent of single households with children were in the bottom fifth of the income distribution (DWP 2001).

- Gregg *et al*’s (1999b) analysis of the Family Expenditure Survey between 1968 and 1995/96 revealed that worklessness is a major factor in child poverty. Between 1979 and 1995/96 child poverty rates in workless couple households increased sharply from 72 to 89 per cent, whereas child poverty rates in working-couple families fell from 31 per cent to 17 per cent. Child poverty rates fell where the single parent was working from 41 per cent to 31 per cent. But where lone parents were not working the level of child poverty remained static over time at 90 per cent.
It is difficult to find accurate figures for self-employed households with children. HBAI figures for 1999/00 indicated that self-employed households in general have a wide range of income outcomes, with 27 per cent in the top fifth of the income distribution, and 21 per cent in the bottom fifth (DWP 2001). However, 12 per cent of children (1.6 million) are living in self-employed households, and further information into the living standards of self-employed households with dependent children would be useful.

Heady and Smyth’s (1990) survey of living standards after unemployment found that after three months of unemployment the average disposable income of families had dropped to 59 per cent of its previous level.

4.1.2 Family type

The majority of lone parents are female-headed households and the high risk of low-income among lone mothers can be seen in large part as a consequence of gender roles and gender inequalities within marriage and within the labour market (Millar 1989; 1992). Studies of lone parents consistently show that low earnings potential exacerbated by difficulties with childcare, inadequate alternative sources of income including child support, worklessness and long-term reliance on social security benefits are all factors in lone-parent poverty (Bradshaw and Millar, 1991; Ford et al, 1995; Marsh et al, 1997; Finlayson et al, 2000) Evidence from studies of income and poverty show that lone-parent families are at greater risk of experiencing poverty than couple families (Hills, 1995; 1996; 1998; Millar, 1992; 1996; Jarvis and Jenkins, 1998; Gregg et al, 1999b).

Using data from the British Household Panel Survey, Jarvis and Jenkins (1998) show that marital separation is, on average, associated with substantial declines in real income for women and their children.

Summary evidence from the PRILIF study of lone parents using an index of relative material well-being and hardship shows that at any point in time a quarter of lone parents will experience severe hardship (Ford et al, 1995; Marsh et al 1997). Those out of work and on Income Support were between three and four times as likely to experience severe hardship as those in work. Workless - couple families are less likely to report severe hardship than workless lone parents (Marsh and McKay, 1993).

4.1.3 Ethnicity and poverty

The severity of poverty among ethnic minority households is highlighted by the 1994 Fourth National Survey of Ethnic Minorities (Modood et al, 1997). Pakistani and Bangladeshi households were substantially poorer than all other ethnic minority groups and white households. Hills (1998) using FRS data for 1995/96 shows that while ethnic minorities make up only six per cent of the population they make up 11 per cent of the poorest fifth, and only three per cent of the richest. Latest figures from the HBAI show incomes in ethnic minority households skewed towards

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14 The 1996 HBAI methodological review found that a significant proportion of the self-employed report incomes that do not reflect their living standards.
the bottom of the income distribution. After housing costs 62 per cent of Pakistani and Bangladeshi households are in the bottom fifth of the income distribution, compared with 18 per cent of white households. Indian, and Black Caribbean households also had higher percentage than whites households in the bottom fifth at 32 per cent and 26 per cent respectively. Nearly half of Black Non-Caribbean households were in the bottom fifth of the income distribution.

Platt and Noble (1999) in a study of low income in Birmingham using Housing Benefit and/or Council Tax Benefit records, found a great diversity in the experience of low-income population according to their ethnic group. Concentrating on four groups, white UK, Bangladeshi, black Caribbean and Pakistani, they found that the white population was slightly under represented in the low-income population, whereas the Bangladeshi, black Caribbean and Pakistani ethnic groups were over-represented. There were also marked differences in low-income families’ composition, 55 per cent of Bangladeshi low-income families consisted of a couple with children, compared with 7.5 per cent of white UK headed families. Lone parents made up a greater proportion of black Caribbean families than the other groups in the study, but black Caribbean lone parents were also significantly more likely to be working than lone parents in any other ethnic group.

Berthoud suggests that high poverty rates in Pakistani and Bangladeshi households reflect a combination of high rates of unemployment for Pakistani and Bangladeshi men, low rates of economic activity for women, low wages in employment, large household sizes, more adults per household than whites, and many more children per family than any other ethnic group (Berthoud 1997).

4.1.4 Durations of poverty

Lengthy spells of poverty and social exclusion can severely undermine a family’s capacity to manage their financial and material resources and maintain social participation. Length of time on benefits is an indication of poverty duration. There were 2.6 million (20 per cent of all) children (i.e. aged under 16 or under 19 and in full-time education) living in households receiving a key benefit, of those children in families on a key benefit 61 per cent had been on benefit for at least two years (DSS 2001a). Lone-parent families and families receiving sickness and disability benefits are among those most likely to experience long durations of benefit. About 76 per cent of children in families who were claiming sickness and disability benefits and 63 per cent of lone-parent families had been receiving key benefits for two or more years (DSS, 2001a). Over one third of lone-parent families (34 per cent) have been claiming Income Support for over five years (DSS, 2001b).16

15 Key benefits in client group analysis are: Jobseeker’s Allowance, Incapacity Benefit, Severe Disablement Allowance, Disability Living Allowance, Income Support.

16 See Walker with Howard (2000) for a detailed analysis of trends in benefit receipt among families.
One-fifth of those leaving poverty will have experienced another spell of poverty within the next five years (Jenkins, 2000). Table 4.2 uses BHPS data to show the annual transition rates into and out of poverty for lone parents and couple families. Lone parents had the highest entry rates into poverty, one-fifth of lone parents who were not poor (19.5 per cent) were poor the next year, and the lowest chance of exiting poverty. Couples with children had a much lower risk of falling into poverty (6.4 per cent) and a higher chance of exiting poverty (48 per cent). Sixteen per cent of lone parents and their children would spend three or more consecutive years in poverty, compared with three per cent of couples with children (Jenkins 2000). The analysis assumes stability in family structure, although many people move between family types, through formation and dissolution of relationships (see Chapter 2 for demographic analysis).

Table 4.2  Annual transition rates into and out of poverty, for individuals who remained in the same family type

<table>
<thead>
<tr>
<th>Family type</th>
<th>Annual exit rate from poverty</th>
<th>Annual entry rate into poverty</th>
<th>Steady-state annual poverty rate</th>
<th>Steady-state poor three consecutive years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couple without children</td>
<td>63</td>
<td>2.9</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Couple with children</td>
<td>48</td>
<td>6.4</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Single no children</td>
<td>57</td>
<td>6.7</td>
<td>12</td>
<td>0.3</td>
</tr>
<tr>
<td>Lone parents</td>
<td>34</td>
<td>19.5</td>
<td>37</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Derived from Jenkins (2000: Table 5.8)

4.1.5  Family hardship and deprivation

An insight into relative poverty and multiple deprivation is provided by the 1999 Poverty and Social Exclusion Survey of Britain (PSE) (Gordon et al, 2000). Designed to add to two previous national surveys known as the Breadline Britain Surveys (Mack and Lansley, 1985; Gordon and Pantazis, 1997), the survey found that 26 per cent of the population lacked two or more items perceived as essential by the general public. Workless households, households reliant on Income Support/ Jobseeker's Allowance, families with young children (especially children aged between two and four years old) and larger families were among those with a higher risk of poverty. Children in lone-parent families were more likely to be necessities deprived than those in couple families; they were almost twice as likely as children in couple households to go without one item and three times as likely to be lacking two or more items (Gordon et al, 2000).
For the SOLIF data, Marsh et al (2001) devised a summary measure of hardship that identified families with multiple disadvantages. Unlike income poverty that provides a snapshot of peoples’ income at a point in time, hardship is often the result of persistent low income (Kempson 1996). The measure included nine indicators of hardship including poor accommodation, severe money concerns, no savings and debt, a lack of heating and a high relative material hardship score (based on an index of basic needs such as sufficient food, clothes leisure items and consumer durables). The study found that the greatest difference between families was associated with work. Almost two in five of non-working families were in severe hardship, this had a disproportionate effect on lone-parent families and their children as 71 per cent of children were living in non-working lone-parent households compared with 26 per cent of children in couple households. Employment did not eradicate hardship for all families and more than one fifth of Family Credit recipients were also in severe hardship. Some families had particular characteristics which made them vulnerable to experiencing hardship and these included long-standing ill-health and disability, caring responsibilities, having four or more children, being of a non-white ethnic minority group, and, if a lone parent, not receiving maintenance.

4.2 The impact of poverty on family life

There are a number of valuable qualitative studies conducted with families on low incomes (see Figure 4.2) which illustrate the impact of poverty and social exclusion on people’s lifestyles and choices.

**Figure 4.2 Qualitative studies which focus on how families cope with poverty**

- **Beresford et al (1999)** Two-year participatory research project from 1994 to 1995, involving group discussions. Twenty groups were involved in the project, and a total of 137 people took part. They included a wide range of different groups; unemployed, homeless, lone parents, women’s groups, young people and the elderly.

- **Holman (1998)** Unique and personal accounts of seven people living in poverty on the Easterhouse Estate in Glasgow.

- **Kempson (1996)** Meta-analysis of 31 qualitative research studies of poverty. Using evidence from the studies Kempson draws together the findings and brings out common themes and issues. Some of the areas addressed include how families manage on a low income, debt, money management, diet, and health and well-being.

- **Kempson et al (1994)** How poor families make ends meet, financial circumstances and household budgeting. Interviews with 74 low-income families, 40 lone parents and 34 two-parent families. Claiming Income Support (47 families), low wages and Family Credit (11 families) and 16 families who were on the margins of eligibility for Family Credit. All families lived in inner-city areas of London, the West Midlands or Manchester.

Continued
Middleton et al (1994) Studied economic pressures on children and parents and how they cope with these demands. Over 200 mothers and 130 children from a range of socio-economic backgrounds. 24 group discussions between 1993 and 1994 with parents (mothers), including two groups discussing Child Benefit. Children completed questionnaires, and took part in group discussions and semi-structured interviews.

Cohen et al (1992) This study focuses on the experience of poverty and exclusion. It combines two separate studies by Bradford University and the Family Services Unit (FSU) in 1989, 1990. Quota sampling was used to ensure lone parents and different ethnic groups were represented. Interviews were carried out with Income Support claimants. In the Bradford University study; 91 people, (22 lone parents, 30 in couples with children, plus others) were interviewed, one-third of the sample were Asian. In the FSU study, 41 families, (26 lone parents and 19 couples), including 16 Asian families were interviewed.


Poverty can affect people’s lives in many ways. Poor people themselves, however, are rarely asked to contribute to the process of determining and understanding those effects (Holman, 1998). In Beresford et al’s (1999) participatory study, poverty was described by poor people themselves as an overwhelmingly negative experience, which had an impact on their lives in four broad areas:

1. Psychologically: poverty was associated with loss of self-esteem, feelings of powerlessness, anger, depression, anxiety and boredom.
2. Physically: poverty was seen as damaging to health and well-being.
3. Relationally: poverty adversely affected people’s social and personal relationships and the stigma associated with it overshadowed those relationships.
4. Practically: poverty restricted people’s choices, budgeting and child rearing.

Evidence for these sorts of outcomes are found across a wide range of qualitative studies with low-income people (Cohen et al, 1992; Kempson et al, 1994; Middleton et al, 1994; Kempson, 1996;).
In her meta-analysis of 31 qualitative studies Kempson (1996) found that low-income people were suffering from poor health, poor housing, poor diet, unemployment, financial exclusion and debt. People’s experiences of poverty were exacerbated by the length of time they experienced it, their different approaches to budgeting and managing money, their family circumstances, health, neighbourhood and access to social support. People in the studies had the same aspirations as others in society - a job, a decent home, sufficient income for bills etc and the need for employment to secure an adequate income. However, they suffered severe disadvantages in the labour market, through job shortages for unskilled workers, insecure employment and low pay. Many were spending substantial periods of time on benefits. Initially people suffered from acute worry, and then some people seemed to cope better, adjusting to the change in their financial circumstances. However, in the long term enduring periods of poverty spelt depression and despair. Kempson’s study refers to the early 1990s and at the time she argued that about £15 extra a week would make a difference to people’s capacity to manage without going without essential items, raising important issues of financial management and benefit adequacy.

Kempson’s (1996) meta-study also highlights the significance of neighbourhood for understanding people’s experiences of poverty and social exclusion. In one study families in inner city areas were concerned about the impact of crime and vandalism on their children. Children and parents found their lives restricted by fear of crime and assault. Interviews with families in two-inner city areas of London, as part of the ongoing research programme into 12 disadvantaged areas by the Centre for the Analysis of Social Exclusion (CASE) (Mumford, 2001), found that the most deprived areas had multiple problems; unemployment, low educational participation, poor housing stock, poor service provision, stigma and high levels of ill-health. Residents were fearful about crime, poor levels of service provision, and stigma (Lupton, 2001).

In contrast, poor people living in rural areas in one study in the Kempson meta-study felt they had a better quality of life, relating to an absence of fear about crime and violence. However, although they felt safer, they also suffered from an acute shortage of employment, transport, affordable housing and local facilities. Previous studies of rural poverty have highlighted the fact that poverty in rural areas is often experienced among considerable affluence, rural people can be reluctant to acknowledge its existence rendering it largely invisible and heavily stigmatised (Cloke et al, 1994; Chapman et al, 1998).

Burrows and Rhodes (1998) constructed an index of area disadvantage using Census data and data from the Survey of English Housing, to examine whether areas identified by existing indices of disadvantage were the same areas where residents reported high levels of dissatisfaction with their neighbourhoods. Neighbourhood dissatisfaction included crime,
vandalism and litter, problematic neighbours, noise and racial harassment. They found that high levels of neighbourhood dissatisfaction were located not only within the social rented sector (e.g. the ‘worst estates’), but also within homeowning and privately rented sectors. Using an ONS system of area classification that clusters wards together they found that the highest levels of dissatisfaction were likely to occur in inner-city estates (London in particular). Next came deprived industrial areas, especially those marked by heavy industry, followed by wards characterised as deprived city areas. Fourth came industrial areas, particularly those involved in primary production, and fifth were lower status owner-occupied wards, particularly those dominated by miners’ terraces. This ‘geography of misery’ provides a useful tool for explaining area based variations in mortality, morbidity and other dimensions of poverty and social exclusion. Noble et al (2001) use administrative data to compare levels and rates of benefit receipt across regional, local authority district and electoral ward levels. This showed a general decline in receipt of Income Support and income-based Jobseeker’s Allowance, especially among unemployed claimants, less so among lone parents. The rate of decline varied across areas.

4.3 Financial management and debt Evidence from studies such as Pahl (1989), Vogler and Pahl (1994), Goode et al (1998) and Snape et al (1998) show that various factors including source and receipt of income and gendered patterns of allocation of economic resources within households can all have an impact on both financial management and inequalities within the household. Figure 4.3 summarises the main types of financial management systems among couples in Vogler and Pahl’s (1994) study. That study found that women were particularly disadvantaged in control and access to resources. In low-income households the women’s responsibility for financial management served to protect her partner and child(ren) from the level of deprivation she was experiencing, and the management of money was a burden rather than a source of power. Intra-household inequalities were lowest in households with joint control of pooled income, including low-income households.
Figure 4.3 Household Money Allocation Systems

- **Female whole wage system** - Wives have sole responsibility for managing all household finances. Husbands hand over whole wage packet minus personal spending money.

- **Housekeeping Allowance** – Husbands give wives a fixed sum for housekeeping, but maintain access to main income.

- **Shared management or pooling system** – Income is paid into a joint account or common kitty and both partners have shared access. In practice one partner is often dependent on the other.

- **Independent management** - each partner has an independent income and neither has access to the other’s. Each partner has responsibility for separate areas of expenditure.

Source: Vogler and Pahl 1994

Other studies confirm that women tend to carry the burden of managing on a low income, often going without to ensure the health and well-being of other family members especially children (Goode et al, 1998, Middleton et al, 1994, 1997):

- Goode et al’s (1998) study was based on in-depth interviews of 31 couples in low-income families. Wages were perceived as conferring individual spending entitlement, although in practice women’s earnings did not incorporate a personal spending factor. Child Benefit tended to be allocated to children, either directly or through household spending. Family Credit was controlled by women and valued for weekly budgeting. Jobseeker’s Allowance was mainly claimed and cashed by men, and the requirement that one partner be the ‘job-seeker’ appeared to exacerbate gender divisions. Both men and women identified the need to protect children’s interests, but women bore the brunt of responsibility for restricting their own and their partner's spending in order to provide for their children. The study suggested that a more flexible benefits system, which facilitated a dual earner model and made it easier to take part-time work, might suit low-income couples better.

- Bradshaw and Stimson’s (1997) review of Child Benefit research studies reported that Child Benefit provided a vital and reliable contribution to families finances. It gave women an income independent of their spouse's and allowed mothers some money to spend on their children.

- Snape et al (1999) in interviews with 33 couples on Income Support or Jobseeker's Allowance, found that receipt of benefits can influence perceptions of entitlement and reinforce traditional gender roles within the family.
Studies such as those by Bradshaw and Millar (1991) and Rowlingson and McKay (1998) have found that many lone mothers feel better off as lone parents because they have control of their own finances. Bradshaw and Millar’s (1991) study of lone parents found that over a quarter of lone parents felt better off than they had before they became lone parents, because the money they had coming into the household was now under their control.

Research studies that have explored the day to day management of families on low income have found little evidence that poor families mismanage their money. Rather that a combination of factors, including changes in circumstances, debt and the duration of poverty, place a heavy burden on families' capacities to manage (Berthoud and Kempson, 1992; Kempson et al, 1994; Morris and Ritchie, 1994):

- Kempson et al (1994) in a study of 74 low-income families, found two distinct approaches to controlling expenditure. One was to try and keep as tight a grip as possible on all spending, by fierce budgeting. Only 32 of the families were ‘keeping their heads above water’ through tight control, and they were paying a high price for doing so. They cut back on expenditure to avoid borrowing or falling into arrears, but to do so they were sacrificing their material welfare, cutting back on food and social participation. The other approach to managing adopted by most of the families was to juggle expenditure. These families often had multiple debts and lived in a continuous cycle of juggling bills and borrowing further to meet creditors’ demands. Many tried to minimise sacrifices on material welfare, and ensure that their children’s needs were looked after. But bill juggling led to considerable arrears, stress and ill-health.

- Berthoud and Kempson (1992), in a study of over 2,200 low-income households found that even the families who budgeted most cautiously on a small income had greater debts than those who adopted an easy-going approach on a more adequate income.

- Morris and Ritchie’s (1994) study (60 interviews) compared three groups of couple families with dependent children, who were receiving either Income Support or Family Credit or were median earners not on benefits. They conclude that ‘despite fierce prioritising, at lower resource levels there are couples who regularly go without food, have difficulty clothing children, have to deny them recreational spending and are severely constrained by conventional celebrations’.

What is apparent from these studies is that given insufficient resources to meet needs, there comes an inevitable point when it is no longer possible to manage, however skilled and resourceful people are. Poor people do not fall into two groups – those who cope and those who do not. Nor are there two sorts of strategies – those that work and those that do not work. Neither juggling nor cutting back can sustain people in the long term.
People with a disability depend heavily on social security benefits, with over three-quarters having benefits as their main source of income (Berthoud et al., 1993). In interviews with 76 people with a disability and their carers, Grant (1995) found that they all suffered from debt problems. Debt was caused by a range of problems; exclusion from the labour market, financial difficulties associated with sudden onset of disability, loss of earnings and the switch to benefit reliance.

Corden et al. (2001) found that parents whose children die after a long illness experience severe financial problems as social security benefits are withdrawn. The immediate drop in income can be as much as 70 per cent for a lone parent who has been caring for a child. Financial problems after a child’s death were related to the previous costs of care including frequent hospital trips, special equipment and home adaptations. The extra costs of care and loss of income associated with giving up work to care for a child had meant that some families had got into debt.

Fuel and service utility debt is a common experience for low-income families. The cost of basic services and utilities can vary considerable across different parts of the country. A study by Bennett and Kempson (1997) found significant differences in the amounts which people were paying for housing, council tax, water and electricity. Evidence from studies by Rowlingson and Kempson (1993) and Herbert and Kempson (1995) show that changes in circumstances such as redundancy, divorce and illness can have a profound effect on people’s capacity to pay their bills, particularly where these changes led to problems and/or delays in benefit claims. Duration on a low income was a factor, as people found it hard to manage restricted incomes over an extended period. A study of benefit fraud by Rowlingson et al. (1997) also found that one of the factors influencing some families’ likelihood of committing benefit fraud was the struggle to cope and make ends meet on restricted incomes.

Payments for fuel arrears are often resolved either through the provision of a key meter, or through direct payments from benefit. Finlayson et al. (2000) looking at the PSI lone parent cohort over 1991-1998 (see Figure 5.1) found there appeared to be a reduction in the number of lone-parent families reporting that they had difficulties paying debts. In 1991, one in five families had two or more problem debts, by 1998 this had dropped to one in eight. At least part of this recovery seems to be explained by a rise in the numbers of pre-payment meters. Over half of the out-of-work lone parents had an electricity pre-payment meter in 1998. Self-disconnection was a problem, however, eight per cent in 1996 and five per cent in 1998 were left without an electricity supply because they could not afford the meter payments.

Little research has examined the impact on a family’s weekly budgets of direct deductions, or reductions in benefits because of sanctions. One study of direct payments from Income Support claimants found that whilst...
direct payments were effective in preventing fuel and water disconnections, they also reduced cash flow in households, in some cases leaving people without enough to live on (Mannion et al, 1994). The proportion of people reporting inadequate levels of income increased with the number of direct payments they were making.

A rising number of Income Support claimants have deductions from their weekly benefits, over 1.22 million in May 2001, with repayments of Social Fund Loans (786 thousand) the most common (DWP 2001a). Recourse to the Social Fund is one option for families in need; however, many families are refused loans. Huby and Dix (1992) found no evidence that those refused Social Fund awards were different in needs and circumstances from those who received them. Speak et al (1995), researching the barriers to independent living of young single mothers, found that of the 31 study mothers who had set up a home 18 had applied for a Social Fund Loan and eight were refused, some for being too poor to repay the loan.

4.3.2 Access to resources

Informal support from family and friends are vital for low-income families’ survival (Cohen et al, 1992; Kempson et al, 1994; Middleton et al, 1994; Morris and Ritchie, 1994). However, studies of family and kinship obligations find that family and kinship support has a reciprocal nature and so it is not a gift but an exchange (Finch, 1989, Finch and Mason, 1993). Morris and Ritchie (1994) found, amongst the poorest families support was not always possible where extended kin are themselves in financial difficulty.

While debt is a serious problem for low-income families, access to financial services is also severely constrained (Berthoud and Kempson 1992; Kempson et al 1994; Kempson and Whyley 1998; Kempson and Whyley 1999, Collard et al 2001):

- The SOLIF report (Marsh et al, 2001) found that 54 per cent of lone parents not in work did not have a current or savings account, compared with five per cent of moderate-income lone parents. In addition 60 per cent of non-working lone parents and half of lone parents receiving Family Credit had a pre-payment meter. Sixty-five per cent of lone parents had debts and one in five had four or more debts compared with 21 per cent of moderate-income lone parents with debts. Forty-eight per cent of Income Support lone parents were having deductions taken from their benefits, 72 per cent of these were for social fund loans. Debts accumulated prior to moving into work could take time to clear, and over half of Family Credit recipients were also in debt, and 15 per cent had at least four debts.
• Workless - couple families had a similar profile to non-working lone parents, 49 per cent had no current account, 35 per cent had deductions taken from their benefits, and fifty per cent of non-working couples had prepayment meters. Fifty - five per cent of non-working couples had some form of debt and 16 per cent had four or more debts. Among moderate income couple families only 33 per cent had debts.

New forms of money, increased use of credit and debit cards, and decreased use of cash signal the rise of an ‘electronic economy’ from which those on low incomes are increasingly excluded. Pahl’s (1999) analysis of Family Expenditure Survey data found clear patterns of exclusion from the electronic economy. Those who were ‘credit poor’ also tended to be ‘information poor’ and ‘work poor’. There were also gender differences; men dominated the use of new forms of money such as Internet banking, and this was changing the balance of financial power within families.

The Independent Inquiry Into Inequalities in Health (DoH, 1998) recommended that a high priority should be given to the health of families with children, and further steps taken to reduce income inequalities and improve the living standards of poor households. Health inequalities have a strong socio-economic association (DHSS, 1980 (The Black Report); Dreyer and Whitehead, 1997; DoH, 1998; Gordon et al, 1999; Graham 2000). The PRILIF studies have consistently found high rates of chronic ill-health among low-income families (Ford et al, 1998; Finlayson et al 2000; Marsh et al 2001).

The impact of poverty and health inequalities is felt throughout the lifecycle (Davey-Smith, 1999). In a study of the relationship between income and health, Benzeval and Judge (2001) used BHPS data from 1991/1997 and found a significant relationship between past income and current health. Financial hardship in childhood affects health when older, although those who do well educationally go some way towards mitigating the poor background/ill-health cycle.

Smoking is closely associated with socio-economic status, and other indicators of disadvantage such as unemployment and marital status (Dreyer and Whitehead, 1997; Thomas et al, 1998; Gordon et al, 1999). Marsh and McKay (1994) found that individuals in three out of four families on Income Support smoked. Comparing women from the PRILIF surveys (lone mothers only) and women in the NCD birth cohort, showed that lone mothers smoked more than other mothers, and that living in severe hardship was the primary deterrent to quitting smoking (Dorsett and Marsh, 1998).

Evidence from studies looking at the health of lone mothers finds an overall pattern of poor health. Comparative analysis of health status between lone mothers and married or cohabiting mothers comes from General Household Survey data:

4.4 Health and well-being of low-income women and childrens.
• Popay and Jones (1990) found that lone parents reported poorer health than parents in couples, and were more likely to have long standing illnesses, including ones that limit their activity. Differences in the health status of women in lone-parent households and women in couple households widens the poorer they are. Lone mothers’ health appears to be more strongly linked to low household income than couple mothers’ health, which suggests that poverty could entail an additional burden for lone mothers.

• Shouls et al (1999) compared lone mothers with couple mothers from 1979 – 1995, and found that lone mothers were consistently more likely to report less than good health and limiting long standing illnesses than couple mothers. The findings also showed a significant increase over time in the prevalence of poor health among young lone mothers who are not in work.

• Benzeval (1998) found that lone mothers had poorer health status than couples. Over five measures of reported health, divorced lone mothers had the worst health, closely followed by single and separated lone mothers. All had significantly poorer health than married or cohabiting mothers, although there were no significant differences between different groups of lone mothers.

Better health is associated with employment, although this is a complex area since poor health may have led to poor employment records. Evidence from a range of studies show an association between paid work and women’s health (Popay and Jones, 1990; Arber, 1991; Bryson et al, 1997; Shaw et al, 1996):

• Arber (1991) found that employment record was a strong factor in women’s health regardless of marital status, housing tenure or parental status.

• Evidence from a longitudinal study of census data suggests that a woman’s economic activity may have a strong influence on her mortality. Bethune (1997) found that employed women had lower than average mortality even when their husbands were unemployed, whilst unemployed women had higher mortality even if their husbands were in work. Unemployed women with unemployed husbands had a 35 per cent mortality excess.

Although there is evidence of the links between better health and employment, there is relatively little research that looks at women’s health in relation to both their material circumstances and their social roles (Arber, 1991; Graham 1993, Macran et al, 1996). Payne (1991) argues that women’s health experience is the sum of their caring work, paid and unpaid work and the conditions under which they carry out this work. Whilst paid employment can increase women’s economic status, it can also result in additional strain in carrying out the demands of home and childcare.
There is some indication of increasing ill-health amongst lone parents and their children over time. In the PRILIF survey the prevalence of long-term illness among lone-parent families had doubled between 1991 and 1998. In 1991, six out of ten reported ‘good’ health over the last year, but this had dropped to below half in 1998. Poor health was associated with poorer socio-economic circumstances (Finlayson et al., 2000). However, there is little evidence to indicate that poor health affects the duration of lone parenthood. Unhealthy parents in the PRILIF study were neither more nor less likely than healthy ones to leave lone parenthood (Ford et al., 1998).

Family health and well-being have an impact on whether parents work or not, and people may be prevented from working by long-term health or disability problems of their partners or children (Shaw et al., 1996, Finlayson et al 2000, Iacovou and Berthoud 2000) (see Chapter 8 for a discussion of barriers to work):

- Four out of ten lone parents in the PRILIF lone-parent cohort said they had to limit employment by caring for a sick or disabled child. (Finlayson et al., 2000).
- In the SOLIF study, 35 per cent of lone parents, 41 per cent of couple respondents and 62 per cent of partners reported having a long standing health problem. Half of partners in non-working couples (49 per cent) were in a poor state of health, compared with 10 per cent of those in working couples. A quarter (26 per cent) of respondents in workless couples were caring for someone other than their children because of ill-health or disability (Marsh et al., 2001).

Data relating to ethnic inequalities in health is problematic and tends to be reduced to crude cultural and genetic explanations, which neglect socio-economic circumstances entirely (Nazroo, 1999). Data which incorporates a socio-economic analysis from the fourth PSI National Survey of Ethnic Minorities indicates that ethnic minorities had poorer health than whites on most indicators but that the pattern is not uniform. Socio-economic factors are important both within and between ethnic groups. Those in poorer socio-economic conditions had poorer health within each minority group (Nazroo, 1997).

4.4.1 Children’s health in low-income families

There are socio-economic differentials in childhood mortality, morbidity, health service use and health-related behaviours (Woodroffe et al, 1993; Botting and Bunting, 1997; Law, 1999):

- Bradshaw (2001a) reviewed evidence from 20 years of British data examining the impact of poverty on outcomes for children. For outcomes in children’s health, he reported clear evidence that mortality, most morbidity, fatal accidents, neglect and physical abuse, smoking, suicide and mental illness were associated with poverty and its proxies.
The impact of poverty on children’s health can begin at the earliest stages of their lives. Evidence put before the Acheson Inquiry showed that stillbirths and peri-natal and infant mortality rates show long-standing differences between social classes (Law, 1999). Low-income mothers on benefits may not be able to afford an adequate and healthy diet for their pregnancy (Dallison and Lobstein, 1995).

A study of 48 low-income families by Dobson et al (1994) found that parents struggled to maintain a ‘mainstream diet’, and were unable to risk changing diets in case food was not eaten. Money for food, being the most flexible, was often used to meet other contingencies. Dowler and Calvert’s (1995) study of 200 lone-parent households found that a combination of material deprivation, long durations of poverty, and deductions from Income Support led to nutritional deprivation in lone mothers’ diets and sometimes in their children’s.

There have been no British studies specifically designed to measure poverty among disabled people, and evidence of the impact of poverty on childhood disability and limiting long-term illness is mainly indirect. Reviewing the evidence Gordon and Heslop (1999) found households with a disabled child to be among the ‘poorest of the poor’:

- Analysis of the Family Fund Trust database (Lawton 1998) found that about 17,000 families in the UK have more than one disabled child, and about 6,500 families are caring for two or more severely disabled children. Families with more than one disabled child were more likely to be lone parents, workless or in semi-skilled or unskilled manual jobs and reliant on Income Support.
- In the SOLIF study about one third of both lone parents and low-to-moderate income couples had at least one child with a disability or long-term illness; of these, seven per cent of lone parents and eight per cent of couple families had two or more sick or disabled children (Marsh et al., 2001).

4.5 Summary  Different factors influence the chances of families with children experiencing poverty. The evidence shows that lone-parent families, workless families, families with a disabled adult or child, large families and ethnic minority families are particularly at risk. Poverty affects people at economic, material, social and individual levels, and has short- and long-term impacts upon their health and well-being and on their capacity for social engagement and inclusion.

There is little evidence that poor families mis-manage their money, but they do face considerable difficulties in coping with the social and material consequences of being poor in an affluent society. Durations of poverty, lengthy spells reliant on benefits, accumulated debts and direct deductions from weekly benefits all place a severe strain on a family’s capacity for financial management, and a disproportionate impact on women who
tend to absorb the costs of coping. Gendered patterns of income receipt and resource allocation within families can also have an impact on both financial management and inequalities within households. The evidence presented in this section raises questions about benefit adequacy and the use of direct deductions from weekly benefits.

The evidence from the PRILIF and SOLIF studies shows consistently high levels of ill health among low-income families with children (lone parents and couples), including families that are caring for children and others with a disability or long term illness. There is evidence that employment is linked to health, particularly for women, but there is not much research which addresses the issue of women’s health and employment in the context of the demands of her caring roles within the family. Despite overall improvements in children’s health generally, it is clear that poverty and disadvantage in childhood adversely affects the health and well-being of children.
In this chapter we summarise some key statistics from cross-national datasets and review evidence from cross-national studies of family change, mothers’ employment and family and child poverty in order to examine how the UK compares with other countries.

There are several good sources of cross-national data for examining family trends in the EU (see Figure 5.1). In general, the trends for EU countries have been towards falling fertility, less marriage, later marriage, more divorce, later childbearing, and more non-marital births. Cohabitation has almost certainly increased substantially, especially among the young, but until recently there has not been much data available on this. Despite these common trends, however, there are still substantial differences across countries. Hantrais (1999) identifies three main groups of European countries. In Sweden, Denmark and Finland, and to a lesser extent France, there is both delayed family formation (low marriage rates, late mean age of marriage and childbirth) and high de-institutionalisation of marriage (high levels of divorce, high levels of extra-marital births). Greece and Portugal are at the opposite extreme, maintaining both more traditional family forms and timing. Ireland, Spain and Italy have delayed family formation but relatively low de-institutionalisation of marriage. The opposite is true in the UK, Austria and Belgium, with high levels of de-institutionalisation but not so delayed family formation. Whether family trends are converging towards the Nordic model has been the subject of much debate.

Bradshaw (2001, p15) sums up the position of the UK compared with other EU member states as follows:

‘[the UK has] a comparatively high fertility rate, low age of first marriage, high divorce rate, low mean age of child bearing, high birth-rate outside marriage, high proportion of lone parents, high proportion of cohabiting couples, high proportion of families with three or more children.’

As he points out, this combination of factors contributes to relatively high rates of family and child poverty found in the UK because groups generally at risk of poverty (lone parents, large families) tend to be over-represented here (see further discussion below)17. Some other English-speaking countries share somewhat similar demographic characteristics to the UK. For these countries there is no single regular source of data

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17 Although the causal links may also go in the other direction - that high rates of poverty and inequality in society lead to particular patterns of demographic behaviour (Rowlingson, 2001).
(like Eurostat) providing information on family formation and structure. Baker and Tippin (1999) quote figures for Canada, Australia and New Zealand in the early 1990s. These show patterns similar to the UK and Northern European and Nordic patterns: low fertility, high divorce and high rates of non-marital births. The same is true for the US, although black families and white families are different from each other, with more non-marital births for the former and more divorce for the latter (Waldfogel et al, 2001).

**Figure 5.1 European Union: information on families and family policy**

Within the European Commission, Directorate General V (DGV) deals with Employment and Social Affairs. DGV has established several EU networks that have focused on family and employment. These include the network on *Childcare and Other Measures to Reconcile Employment and Family Responsibilities* (1986-1996) and the network on *Family and Work* (1994 to 2000). The work of the latter has been taken over by the European Work-Life Alliance ‘BALANCE’.

The *European Observatory on Family Matters* (formerly known as the European Observatory on National Family Policies) was established by DGV in 1989, as a multi-disciplinary network of independent experts on family issues, to monitor and evaluate developments in family policies and family trends. The Observatory (co-ordinated by the Austrian Institute for Family Studies, 2001-2004), holds annual meetings and publishes regular newsletters and reports. These compare demographic trends, summarise national policy developments and examine specific topics. Examples of the latter include families and care (1994 report, Ditch et al, 1995), cohabitation (1995 report, Ditch et al, 1996), children (1996 report, Ditch et al, 1998). Papers from the seminars in 1999 (Family Issues between Gender and Generations) and 2000 (Low Fertility, Families and Public Policies) are available from the Observatory website and published by DGV. The *European Employment Observatory* also produces regular (published and website) reports on employment trends.

Through Eurostat, the European Commission also publishes regular overview reports on demography (*The Demographic Situation in the European Union* - annual since 1994) and employment trends (*Employment in Europe* – annual since 1988). *The Social Situation in the European Union* (first published 1999) brings together a range of relevant information. The European Commission also publishes regular Eurobarometer reports, based on public opinion survey data. Several have focused on family issues, including *The Europeans and the Family* (Commission of the European Communities, 1993).

Continued
5.1.1 Lone parenthood - levels and trends

Comparing levels and trends in lone parenthood across countries can be particularly problematic because of a lack of data based on the same definitions. There are three main elements involved in defining a lone-parent family: age of children, marital status of parent, co-residence with other adults (Roll, 1992). Some countries do not include any age criteria so that a lone-parent family could be an elderly person living with adult children or a working-age parent living with dependent children. Roll (op cit) defined a lone parent as someone not living with a partner, who may or may not be living with other adults, and who has at least one child aged under 18 years. This was also the definition that Bradshaw et al (1996) sought to apply in their study of lone parents’ employment in twenty countries. However, in practice not all countries involved were able to provide data on this basis. Although these statistics are now somewhat dated, they are the most comprehensive set of recent figures.18

Figure 5.2 shows that the UK was among the countries with the highest rates of lone parenthood, with an estimated 21 per cent of families with children headed by a lone parent in the mid 1990s19, compared with 29 per cent for the USA, 25 per cent for new Zealand, 21 per cent for Norway, and 19 per cent for Denmark and Germany. The countries with the lowest estimated proportions of lone parents were Japan, Italy, Luxembourg and Spain (all around five to seven per cent). In all countries the majority of lone parents are women, but one in four lone parents in Greece are men, one in six in Germany, Italy and Luxembourg.

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18 We mainly report data from the twenty-country study by Bradshaw and his colleagues because it provides the most comprehensive picture across the widest range of countries.

19 The current estimate is closer to 24 per cent, see Chapter 3 for a detailed analysis of the current UK figures.
In respect of routes into lone parenthood, Figure 5.3 shows that the breakdown of marriage through separation or divorce is the most common reason for the formation of a lone-parent family, although widows formed the majority of such families in Ireland, the Netherlands and Portugal. Single lone mothers make up a significant proportion of the total in Austria, Sweden, the UK, New Zealand, Norway and the USA. Single motherhood is closely related to cohabitation, as many single-mother families are formed as a result of the breakdown of a cohabiting relationship. The available statistics in many countries are not adequate for examining trends over time. In general it seems that lone parenthood has been on the increase, and if rates of divorce, non-marital births and cohabitation continue to rise, especially in countries where these are still relatively low, then so too will the numbers of lone parents. Looking at trends over time, Rowlingson (2001, p174) argues that:

‘over the past thirty years there appear to have been two trends in operation. During the 1970s and 1980s, divorce and separation from a husband were the main causes of lone parenthood, increasing sharply during this time, with a decline in the proportions of lone parent families caused by widowhood. But the late 1980s and 1990s have witnessed a growing number of single women having babies or cohabiting couples splitting up … This change should be placed in the context of a more general increase in cohabitation and births within cohabiting relationships.’
However, Rowlingson also suggests that the rate of increase of lone parenthood may be slowing down in some countries, with national statistics from Norway and the Netherlands showing that the number of lone parents has remained relatively constant throughout the 1990s, and statistics from Australia and the USA showing a reduced rate of increase.20

**Figure 5.3 Routes into lone motherhood, various countries, early 1990s**

![Figure 5.3](image)


### 5.2 Families and employment

There are various publications and reports which provide general accounts of employment trends for men and women in EU countries (e.g. Hantrais and Letablier, 1996; Eurostat, 2000a). There has been considerable research interest in cross-national patterns of employment participation among women, and especially lone mothers (for example OECD, 1993; Bradshaw et al, 1996; Lewis, 1996; Duncan and Edwards, 1997, 2000; Kilkey, 2000; Pedersen et al, 2001; Millar and Rowlingson, 2001). Table 5.1 summarises the key statistics from Bradshaw et al (1996). This shows considerable cross-national variation in employment rates for both lone mothers (ranging from 23 per cent in Ireland to 87 per cent in Japan) and married mothers (from 32 per cent in Ireland to 84 per cent in Denmark). In most countries lone mothers are less likely to be employed than married mothers, particularly so in the UK and New Zealand. The UK has relatively low employment rates for lone mothers and mid-level rates for married mothers, but with high rates of part-time work.

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20 In Australia the proportion of lone-parent families with children was fairly static between 1998 (21.5 per cent) and 1999 (21.4 per cent) (Whiteford, 2001). In the USA, Census Bureau statistics show that the proportion of children under 18 living with a lone mother fell from 19.9 per cent in 1995 to 18.4 per cent in 2000 (Dupree and Primus, 2001; see also Wigton and Weil, 2000).
Table 5.1 Proportion of lone mothers and married/cohabiting mothers employed, various countries, early 1990s

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</tr>
<tr>
<td>Sweden (1994)</td>
<td>41</td>
<td>29</td>
<td>70</td>
<td>42</td>
</tr>
<tr>
<td>UK (1990/2)</td>
<td>17</td>
<td>24</td>
<td>41</td>
<td>21</td>
</tr>
<tr>
<td>Other countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia (1994)</td>
<td>23</td>
<td>20</td>
<td>43</td>
<td>24</td>
</tr>
<tr>
<td>Japan (1993)</td>
<td>53</td>
<td>34</td>
<td>87</td>
<td>17</td>
</tr>
<tr>
<td>New Zealand (1991)</td>
<td>17</td>
<td>10</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td>Norway (1991)</td>
<td>44</td>
<td>17</td>
<td>61</td>
<td>40</td>
</tr>
<tr>
<td>USA (1992)</td>
<td>47</td>
<td>13</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

Part-time: less than 30 hours per week.
Source: Bradshaw et al (1996), table 1.3

Lone parents are much more likely to be without employment than are couples with children. Table 5.2 compares ‘worklessness’ rates for lone-parent and two-parent households in various countries. There are significant cross-national variations, but also a strong contrast between these two family types. Workless rates are typically six or seven times higher for lone parents as for couples, in some cases even higher. This has a very substantial impact on poverty rates (as discussed further below). The UK has relatively high rates of worklessness for both lone parents (six in ten compared with an average rate of about one in ten) and couples with children (about one in ten compared with an average of about one in seventeen). In many other countries workless families are more likely to be households close to retirement rather than households with children. About 30 per cent of workless households in the UK include children compared with 14 per cent in France and 11 per cent in Germany.
Table 5.2 Worklessness\textsuperscript{1} among families with children, various countries, 1996

<table>
<thead>
<tr>
<th>EU countries</th>
<th>Single adult HH, children aged under 18</th>
<th>Two adult HH, children aged under 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>23.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>51.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Finland</td>
<td>42.1</td>
<td>7.2</td>
</tr>
<tr>
<td>France</td>
<td>34.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Germany</td>
<td>38.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Greece</td>
<td>35.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Ireland</td>
<td>61.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Italy</td>
<td>28.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>29.7</td>
<td>2.1</td>
</tr>
<tr>
<td>N’lands</td>
<td>55.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>25.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Spain</td>
<td>39.4</td>
<td>9.0</td>
</tr>
<tr>
<td>UK</td>
<td>60.8</td>
<td>10.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other countries</th>
<th>Single adult HH, children aged under 18</th>
<th>Two adult HH, children aged under 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>57.1</td>
<td>9.4</td>
</tr>
<tr>
<td>Canada</td>
<td>48.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>33.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Switzerland</td>
<td>17.1</td>
<td>1.7</td>
</tr>
<tr>
<td>USA</td>
<td>34.1</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Average 39.7 6.0

\textsuperscript{1} Non-employed households as a % of all households of each type.
Source: OECD (1998) Table 1.7

5.2.1 Explaining variations in employment rates

Bradshaw et al (1996) examined various factors that might explain the variation in employment rates for lone mothers in different countries. Their analysis was based on comparisons of employment rates with demographic indicators, measures of family policy inputs, and analysis of the outcomes of the tax/benefit systems for different family types. The results suggested that these factors all play a part but the patterns are not always consistent. For example, the characteristics of UK lone mothers make them less likely to be in employment, but other countries where lone mothers have similar characteristics have much higher employment rates. Similarly, there was no clear relationship between financial incentives (as measured by tax/benefit transfers) and employment rates. For each country, therefore, the mixture of constraints and opportunities was
somewhat different. Thus, they concluded that:

‘The employment levels of lone mothers will be influenced by their characteristics, the state of the labour market, public attitudes to mothers’ employment, maternity and parental leave, the level of in-work incomes and benefits available out of work, the rules governing labour participation, the effectiveness of the maintenance regime, the treatment of housing costs and health and education costs. However the most important factor of all this is the availability of good quality, flexible and affordable childcare.’

(Bradshaw et al, 1996, p79)

This echoed the conclusion reached in an earlier and similar, although less comprehensive, study by the OECD:

‘In each country there is a matrix of factors affecting the participation of lone and married mothers… However it is clear that specific factors can predominate in some countries and not others. The structure of labour markets, societal and cultural norms and the impact of tax/transfer systems will all shape participation rates and patterns and the extent to which particular factors have an impact.’

(OECD, 1993, p69)

Other studies have also pointed to the complexity of factors affecting the labour supply of both married and lone mothers. Gornick et al (1997) analysed the impact of public policy measures to support mothers’ employment (parental leave, childcare, and education) on the employment rates of mothers and found higher levels of employment associated with more generous and universal provision. Pedersen et al (2000) found some association between education levels and employment for lone mothers in the European Community Household Panel (ECHP). They also analysed Denmark and the UK in more detail (using national data sets) and concluded that public policies differences in childcare and welfare support may explain some of the differences between these two countries. However, and like Bradshaw and his colleagues in their research, they remain perplexed as to some findings, such as the reasons why Denmark has such high employment rates for lone mothers, ‘when net replacement rates are so high, and when subsided childcare is available both in and out of work’ (p196).

Duncan and Edwards (1997, 1999) argue that these sorts of outcomes can only be understood within a different sort of theoretical approach, one that is derived less from economics and more from sociology. They explicitly reject the ‘rational economic’ approach to explaining labour supply and argue that it is more important to take into account the ways in which gender and class-based values and attitudes interact with social norms and welfare state policies. They use national case studies to explore these issues and conclude that lone mothers’ orientations to employment vary both across and within different welfare systems in ways that can
only be understood by reference to values and social norms (see Chapter 8 for further discussion).21

There is also quite an extensive body of cross-national literature that has explored the issue of welfare support for lone mothers in the context of wider discussions of the gendered nature of welfare state 'regimes'. Lewis (1992, 1997), for example, has compared different countries according to whether policies are structured in order to sustain a 'male breadwinner/female caregiver' family model. Lone mothers are often seen as a 'litmus test' of the treatment of women in different welfare states (Hobson, 1994). Kilkey (2000) and Strell and Duncan (2001) provide useful overviews.

5.3 Family and child poverty

The main sources of cross-national data on family and child poverty are summarised in Figure 5.4.22 It is clear that the availability of cross-national data about family and child poverty has improved immensely over the past decade and these studies provide a wealth of new information. However, there are still some important limitations. First, with the exception of the ECHP, all these data-sets have been created through the harmonisation of national surveys and so the information available may not always be strictly comparable in all respects. Second, the most recent data refer to the mid 1990s, and it is generally only possible to examine cross-national trends over the past decade, and cross-national dynamics over about two to five years (up to a maximum of ten years in Germany and the USA). Third, small sub-sample sizes for some family types in some countries limit the possible analyses (for example, the numbers of lone parents are low in several of the ECHP national samples). Fourth, the poverty measures used are usually defined in terms of low income relative to the national average and are thus sensitive to the overall shape of the income distribution, which differs across countries. Fifth, as in most single-country poverty studies, these cross-national studies calculate income on a household (or sometimes family or benefit unit) basis and so take no account of the distribution of income within households. Income is equivalised to reflect family size but there is some evidence that these equivalence scales do not fully capture the real costs of children. And, finally, income alone is only a partial indicator of living standards and poverty but only the ECHP includes other indicators of material and social deprivation.

21 Kjeldstad (2000, p364), discussing the increase in employment rates for Norwegian lone mothers offers a simpler explanation: 'lone mothers may be seen as one of several groups of women, or rather lone motherhood should be seen as among several life cycle stages, gradually to become included in the labour market'.

22 See also Barnes, 2001 for a comparison of different approaches to measuring child well – being in various countries.
<table>
<thead>
<tr>
<th>Study</th>
<th>Description</th>
<th>Key Publications</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Luxembourg Income Study (LIS)</td>
<td>Cross-sectional and time series based on national household income surveys harmonised to common definitions. Started in 1983 with seven countries (Canada, Israel, Norway, Sweden, UK, USA), it now includes some data for over 25 countries, covering a range of years from the 1970s onwards.</td>
<td>Many publications including Hauser and Fischer, 1990; Hobson, 1994; Cantillon, 1997; Bradbury and Jäntti, 1999; Bradshaw, 1999; Forsén 1999; Christopher et al, 2001.</td>
</tr>
<tr>
<td>The European Community Household Panel (ECHP)</td>
<td>Panel data, first wave in 1994 in EU countries Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, the UK, with Austria added from 1995, Finland and Sweden are not included.</td>
<td>Key publications: Eurostat 2000b; Pedersen et al, 2000; Millar 2001. 12</td>
</tr>
<tr>
<td>The OECD project on Income Inequalities</td>
<td>Cross-sectional and time series data on 17 OECD countries Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Mexico, Netherlands, Norway, Sweden, Turkey, UK, USA, collected from national authorities for period from mid 1980s to mid 1990s.</td>
<td>Key publications: Oxley et al, 2001.</td>
</tr>
<tr>
<td>The dynamics of child poverty</td>
<td>Collated data from national panel surveys in seven countries (Britain, Germany, Hungary, Ireland, Russia, Spain, USA).</td>
<td>Key publications: Bradbury et al (2000, 2001); Jenkins et al (2001).</td>
</tr>
</tbody>
</table>

**5.3.1 Poverty by family type** Despite differences in time periods and definitions, there are some consistent conclusions that emerge from cross-national comparisons of the income poverty risks of lone-parent and two-parent families (Hauser and Fischer, 1990; Hobson, 1994; Forsén, 1998; Pedersen et al, 2000; Christopher et al, 2001; Millar, 2001). These are that:

- within countries, lone-parent families tend to have higher rates of income poverty than two-parent families with children, and lone mothers higher income poverty rates than lone fathers;
across countries, there are substantial variations in the income poverty rates of lone-mother families\textsuperscript{23};

- employment reduces the risk of income poverty among lone mothers, but does not eliminate it. There are also significant cross-national variations in income poverty rates for employed lone mothers.

Table 5.3 summarises data from three studies to illustrate these points. The English-speaking countries, the UK in particular, tend to have the highest income poverty rates for lone-parent households while the Nordic countries, Sweden in particular, tend to have the lowest rates.

**Table 5.3 Income poverty rates: lone parents, various countries, early and mid 1990s**

<table>
<thead>
<tr>
<th></th>
<th>Highest poverty rates</th>
<th>Lowest poverty rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIS, early 1990s\textsuperscript{1}</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All lone parents</td>
<td>UK (56%), USA (50%), Austria (47%), Australia (46%), Germany (39%), N'lands (20%)</td>
<td>Sweden (3%), Finland (4%), Denmark (7%), Belgium (9%), Norway (11%)</td>
</tr>
<tr>
<td>Employed lone mothers</td>
<td>Austria (42%), USA (30%), UK (27%), Australia (22%), Germany (12%)</td>
<td>Sweden (1%), Finland (2%), Denmark, N'lands, Belgium (4%), Norway (7%)</td>
</tr>
<tr>
<td>Non-employed lone mothers</td>
<td>USA (85%), UK (80%), Germany (76%), Austria, Australia (62%), N'lands (28%)</td>
<td>Sweden, Belgium (10%), Denmark, (12%), Norway (17%), Finland (18%)</td>
</tr>
</tbody>
</table>

| **ECHP, 1994\textsuperscript{2}** |                       |                      |
| All lone mothers         | UK (43%), Portugal (37%), Spain (34%), Ireland (31%), Italy (25%) | Denmark (13%), Germany (16%), Belgium (19%), N'Lands, Greece (21%), France (23%) |
| Married or cohabiting mothers | Portugal (21%), Italy (20%), Ireland, Spain, UK (19%) | Denmark (2%), Germany (7%), Belgium (8%), France (14%), N'Lands (15%), Greece (16%) |

| **LIS, mid 1990s\textsuperscript{3}** |                       |                      |
| Lone mothers             | USA (47%), Canada (41%), Germany, Austria (39%), UK (32%) | Sweden (3%), France (24%), N'Lands (26%) |
| Lone fathers             | Austria (28%), USA (22%), UK (20%), Canada (17%), Germany, (11%) | N'Lands (0%), Sweden (7%), France (11%) |

\textsuperscript{1} Bradshaw et al. (1996) LIS, early 1990s, 11 countries, equivalised household income less than 50% of national mean.

\textsuperscript{2} Pedersen et al. (2000), ECHP, 1994, 11 countries, equivalised household income less than 50% of national mean.

\textsuperscript{3} Christopher et al. (2001) LIS, mid 1990s, 8 countries, equivalised household income less than 50% of national median.

Table 5.4 shows ECHP data on income poverty rates and persistence for lone parent and large families in 1996. This again confirms the over-representation of lone-parent families among those in income poverty. Lone parents have a higher risk of income poverty than the average household does in every country except Denmark. Germany and the

\textsuperscript{23} Many of the studies focus upon lone mothers rather than lone parents in general.
Netherlands have relatively low income poverty rates in general but lone-parent households are over twice as likely to be poor as the average household and they are also more likely to remain poor. Greece and Portugal have relatively high income poverty rates in general but lone parents are not much greater at risk of income poverty or persistent income poverty than other households. The UK has a relatively high income poverty rate in general, an even higher risk for lone-parent households, and lone parents are very likely to remain persistently poor. Couples with one or two children (not shown in table) have lower than average income poverty rates. But in many countries, large families (couples with three or more dependent children) have higher than average poverty risks, although usually lower than those of lone parents. However, in Austria, Italy, Luxembourg, Portugal and Spain, large families are more likely to be income poor, and to be persistently poor, than are lone-parent families.

Table 5.4 Income poverty rates and poverty persistence: lone parents and large families, Europe, 1996

<table>
<thead>
<tr>
<th></th>
<th>Poverty rate</th>
<th>Poverty risk index</th>
<th>Poverty persistence</th>
<th>Poverty risk index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>13</td>
<td>146</td>
<td>229</td>
<td>-</td>
</tr>
<tr>
<td>Belgium</td>
<td>17</td>
<td>149</td>
<td>118</td>
<td>7</td>
</tr>
<tr>
<td>Denmark</td>
<td>12</td>
<td>57</td>
<td>41</td>
<td>3</td>
</tr>
<tr>
<td>France</td>
<td>16</td>
<td>180</td>
<td>140</td>
<td>6</td>
</tr>
<tr>
<td>Germany</td>
<td>16</td>
<td>227</td>
<td>143</td>
<td>7</td>
</tr>
<tr>
<td>Greece</td>
<td>21</td>
<td>116</td>
<td>88</td>
<td>10</td>
</tr>
<tr>
<td>Ireland</td>
<td>18</td>
<td>164</td>
<td>145</td>
<td>8</td>
</tr>
<tr>
<td>Italy</td>
<td>19</td>
<td>113</td>
<td>189</td>
<td>8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>12</td>
<td>154</td>
<td>182</td>
<td>5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>12</td>
<td>243</td>
<td>137</td>
<td>3</td>
</tr>
<tr>
<td>Portugal</td>
<td>22</td>
<td>129</td>
<td>176</td>
<td>12</td>
</tr>
<tr>
<td>Spain</td>
<td>18</td>
<td>118</td>
<td>190</td>
<td>8</td>
</tr>
<tr>
<td>UK</td>
<td>19</td>
<td>228</td>
<td>133</td>
<td>8</td>
</tr>
<tr>
<td>EU13%</td>
<td>17</td>
<td>32%</td>
<td>25%</td>
<td>7</td>
</tr>
</tbody>
</table>

1 Poverty line 60 per cent of median national equivalised national household income
2 Country specific country poverty rate =100
3 Also poor in 1994 and 1995
4 Country specific poverty persistence rates
Source: Eurostat (2000a), tables 2.3, 2.6, figure 2.17
Kilkey and Bradshaw (1999, 2001) and Kilkey (2000) use the ‘model families’ methodology\(^{24}\) to examine the relationships between social transfers, employment participation and poverty for lone mothers and find no clear patterns across countries. Employment tends to reduce poverty risks but ‘there are some countries with low poverty rates despite low levels of employment and still others with high poverty rates despite high levels of employment’ (Kilkey and Bradshaw, 1999, p178). Solera (2001) uses LIS data to compare pre – and post-transfer income for lone and married mothers in Italy, the UK and Sweden. She concludes that:

‘Contemporary debates on the family poverty problem underline the importance of adequate social security benefits … Much less appreciated is the anti-poverty role of support for the employment of mothers. Evidently, cash benefits are important. The market alone is insufficient to guarantee welfare … when the state intervenes with generous and universal transfers - as in Sweden - the poverty risk is greatly reduced. On the contrary, where transfers are mainly selective … anti-poverty effectiveness is greatly reduced’ (Solera, \textit{op cit}, p475)

Although there is only limited information available, it seems that private transfers of maintenance/child support in most countries play only a minor role in the incomes of lone parents (Hauser and Fischer, 1990; Hobson, 1996). We look in more detail at child support in Chapter 6.

5.3.2 Child poverty

There has been a growing interest in cross-national studies of child poverty in recent years, including research by Bradshaw (1999, 2001), the work of UNICEF Innocenti Research Centre (UNICEF, 1999; Bradbury \textit{et al}, 2000), and two recent edited collections (Vleminckx and Smeeding, 2001; Bradbury \textit{et al}, 2001). Table 5.5 summarises various estimates of income poverty rates for children, mainly dating from the early to mid 1990s. These show that:

- there is substantial variation in income poverty rates for children across countries – these are lowest in the Nordic and northern European countries and highest in English-speaking countries and southern Europe;\(^{25}\)
- children tend to have a higher risk of income poverty than adults, but many poor adults live in households with children;
- children in lone-mother families have higher rates of income poverty than children in couple families (and stay poor longer, Bradbury \textit{et al}, 2001);

\(^{24}\) This involves defining a particular family type according to set criteria (e.g. marital status, number and age of children, employment status and wages, housing situation) and calculating their incomes before and after social transfers (tax, benefit and the value of in-kind benefits). This methodology has been extensively used by Jonathan Bradshaw and his colleagues at the University of York (Bradshaw \textit{et al}, 1993; Bradshaw \textit{et al}, 1996, Eardley \textit{et al}, 1996).

\(^{25}\) The child poverty rates for children in transition countries show a very mixed picture and (unlike the other countries) often change radically when an absolute rather than relative poverty line is used (Bradbury and Jantti, 2001).
child poverty rates vary substantially with the employment status of their parents, and this is true for both lone parents and couples. Income poverty rates are significantly lower in households with employment, especially if there are two earners (see Figure 5.5).

We do not have data that would enable detailed comparisons of trends over time. But the available evidence shows no clear trends in child poverty, with some countries having reduced levels in recent years while in others (including the UK) child poverty has increased (Oxley et al., 2001)\(^\text{26}\). Bradbury and Jäntti (2001) find that countries with higher levels of national income tend to have lower child poverty rates, except in the case of the USA. Although children in lone-parent families are at an increased rate of income poverty, differences in family structures are not a significant factor explaining the variations in child poverty rates across countries. Employment is the most significant factor, with lower child poverty rates in countries with higher rates of parental employment. This is strikingly illustrated in Figure 5.3, which shows that in many countries two-earner families have negligible rates of child poverty (although others are not so successful). Cash transfers are less important than wages in explaining cross-national variation in income poverty rates although they can play an important role in reducing child poverty (Forssén, 1999; Oxley et al., 2001)\(^\text{27}\). In their analysis of the role of cash transfers in EU countries, Immervoll et al. (2001) identify three groups: in Denmark and Luxembourg child poverty rates are low before cash transfers and so these have little impact. In Spain, Italy, Greece, Portugal and Ireland, child poverty rates start high and the low level of cash transfers does little to change this. In the UK, Belgium, Austria, France and the Netherlands, cash transfers are both relatively high and relatively successful at reducing income poverty for children.

\(^{26}\) This analysis pre-dates the recent increases in support for children in the UK, which Piachaud and Sutherland (2000, 2001) estimate have lead to a reduction in UK child poverty rates.

\(^{27}\) There are substantial cross-national differences in the level and nature of the cash/benefit support for families with children, see studies by Bradshaw et al. (1993), Ditch et al. (1998); Battle and Mendelson (2001).
Table 5.5 Income poverty rates: children, various countries, 1980s/1990s

<table>
<thead>
<tr>
<th>LIS, early 90s¹</th>
<th>Highest poverty rates</th>
<th>Lowest poverty rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>All children</td>
<td>Russia (27%), USA (26%), UK, Italy (21%), Australia (17%), Canada (16%), Ireland, Israel (15%), Poland (14%), Spain (13%), Germany, Hungary (12%), France (10%)</td>
<td>Czech Republic, Slovakia (2%), Finland (3%), Sweden (4%), Norway (5%), Austria, Denmark, Belgium, Luxembourg, Taiwan, Switzerland (6%), NLands (8%)</td>
</tr>
<tr>
<td></td>
<td>USA (60%), Canada (45%), Germany (43%), UK (40%), Australia (38%), Austria (33%), Russia (31%), Luxembourg, Ireland, N’lands (30%), Israel (27%), France, Spain (25%), Switzerland (21%), Italy (20%)</td>
<td>Sweden (4%), Poland (5%), Finland (6%), Slovakia (7%), Czech Republic (9%), Denmark, Norway (10%), Belgium, Hungary (12%), Taiwan (15%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ECHP, 1994²</th>
<th>Highest poverty rates</th>
<th>Lowest poverty rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children in income poverty</td>
<td>Ireland, UK (28%), Portugal (26%), Germany, Italy, Spain (22%), Austria (21%)</td>
<td>Denmark (6%), NLands (12%), Greece (16%), France (17%), Luxembourg (19%), Belgium (18%)</td>
</tr>
<tr>
<td>Children in HHs lacking 3+ necessities</td>
<td>Portugal (59%), Greece (42%), Spain (38%), UK, Italy, Luxembourg (27%), Ireland (20%)</td>
<td>Denmark (5%), NLands (9%), Belgium (13%), France, Germany (14%), Austria (15%)</td>
</tr>
</tbody>
</table>

OECD mid 90s³

<table>
<thead>
<tr>
<th>Highest poverty rates</th>
<th>Lowest poverty rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>All persons</td>
<td>Mexico (22%), USA (17%), Turkey (16%), Greece, Italy (14%), UK (12%), Canada (10%)</td>
</tr>
<tr>
<td>Children</td>
<td>Mexico (26%), USA (23%), Turkey (20%), Italy (19%), Canada (14%)</td>
</tr>
</tbody>
</table>

¹ Bradbury and Jäntti (2001), LIS, early 1990s, 25 countries, children are poor if their household has an equivalised disposable income of less than 50% of the overall median.
³ Oxley et al (2001), national data sets, income is equivalised. Poverty line set at 50% of median household disposable income per person.
Figure 5.5 Child income poverty rates: families with children by employment status, various OECD countries, mid 1990s

Many of the family trends found in the UK - particularly the rising rates of divorce, cohabitation, births outside marriage, and lone parenthood - are found, to a greater or lesser degree, in many other industrialised countries. However, the UK tends to be among the countries at the higher end of the scale. The UK also has relatively low employment rates for lone mothers, mid-range rates for married mothers, and high rates of worklessness among families with children. This means relatively high rates of income poverty for families with children, especially lone parents, and high rates of child poverty. The importance of parental employment in reducing child poverty risks is very clear, but although

5.4 Summary

Many of the family trends found in the UK - particularly the rising rates of divorce, cohabitation, births outside marriage, and lone parenthood - are found, to a greater or lesser degree, in many other industrialised countries. However, the UK tends to be among the countries at the higher end of the scale. The UK also has relatively low employment rates for lone mothers, mid-range rates for married mothers, and high rates of worklessness among families with children. This means relatively high rates of income poverty for families with children, especially lone parents, and high rates of child poverty. The importance of parental employment in reducing child poverty risks is very clear, but although
employment reduces the risk of income poverty it does not eliminate it, particularly for lone mothers. Cash transfers help to reduce child poverty rates, more successfully in some countries than others. The highest employment rates and lowest poverty rates are found in the Nordic countries, and these countries also tend to have extensive and generous family benefits, including well developed systems of child care and parental leave.
This chapter focuses on children’s lives and experiences and how best to support children in the context of increasing family diversity. It begins with a review of the current situation of children in poverty and the impact of poverty on their lives. The second part of the chapter considers the costs of rearing children, and discusses the issue of adequate incomes. The next section examines private financial support for children and the issue of Child Support payments and compliance. The final section reviews the evidence about the outcomes for children of changes in family structure, and discusses some of the possible explanations for these outcomes.

The 1980s and 1990s saw a dramatic rise in the number of children in poverty in the UK (see Bradshaw, 1990; Kumar, 1993 and Walker and Walker, 1997 for an overview). Since 1999, it has been the government’s intention to abolish child poverty in twenty years (Cm 4445, 1999). To achieve this aim the government has engaged in a broad range of policies which fall into three main areas: support for children – mainly through the education system, and Sure Start; support for parents – directed at making work pay, parenting initiatives and the National Childcare Strategy; and changes in fiscal support for children and families via the tax and benefit system. A range of indicators are used to monitor the governments’ progress – these cover low income, education, health inequalities, worklessness and housing (Cm 4445).

The latest data from the Households Below Average Income (DWP 2001) for 1999/00 shows that 3.6 million children, 32 per cent of all children in Great Britain, were living below the poverty threshold. Children represented only 22 per cent of the population in 1999/00 but were disproportionately represented among the poorest, making up nearly a third (31 per cent) of all individuals in the bottom quintile of the income distribution, after housing costs.

It is estimated that 1.2 – 1.3 million children could rise above the poverty line following budget measures between 1998 and 2000 (Treasury 2000; Piachaud and Sutherland, 2000, Piachaud and Sutherland 2001). Many of these children will be in families whose incomes are close to the poverty line. The remaining children are likely to be in families that are much harder to reach. Statistical modelling by Piachaud and Sutherland (2000) indicates that whilst current government policies will have an impact on 28 See Figure 4.1 for a summary of UK data sources on family and child poverty.
29 Defined as 60 per cent of median income after housing costs.
child poverty, they will in effect only reduce it by one quarter. They argue that even were the strategy to promote paid work to be an unqualified success that would still leave over two million children in poverty. The majority of these children will live in families reliant on means-tested benefits and the issue of how best to support them will be a major challenge for policy.

Children are not a homogenous group and the risk and experience of poverty for children will be mediated by a number of factors. These include; class, employment status, family structure, ethnicity, numbers of brothers and sisters, ill health and disability (Bradshaw, 1990, Kumar, 1993; Oppenheim and Harker, 1996; Adelman and Bradshaw, 1998; Gordon et al, 2000, Howard et al, 2001).

Table 6.1 shows that nearly eight out of ten children (79 per cent) living in workless families were living on incomes below 60 per cent of median income. Half of children with a parent working part-time only, and around one in ten of children with a parent in full time work were living below 60 per cent of median income. Nearly three out of every five children in a lone-parent household were below the income threshold compared with around one in every five children in a couple family. Children in ethnic minority households make up only 10 per cent of all children, but 19 per cent of children below the poverty threshold. Pakistani and Bangladeshi children were particularly at risk of poverty with three quarters of all Pakistani and Bangladeshi children living below the poverty threshold (DWP 2001).

Table 6.1 Children in families living below 60 per cent median income (after housing costs) in 1999/00

<table>
<thead>
<tr>
<th>Percentage below 60% median</th>
<th>Number below 60% median</th>
<th>All children millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment status of adults in family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working full-time</td>
<td>11</td>
<td>0.8</td>
</tr>
<tr>
<td>Working part-time</td>
<td>49</td>
<td>0.6</td>
</tr>
<tr>
<td>Not working</td>
<td>79</td>
<td>2.2</td>
</tr>
<tr>
<td>Family type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couples with children</td>
<td>22</td>
<td>1.8</td>
</tr>
<tr>
<td>Lone-parent</td>
<td>59</td>
<td>1.8</td>
</tr>
<tr>
<td>Ethnic group head of household</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>29</td>
<td>2.9</td>
</tr>
<tr>
<td>Black</td>
<td>49</td>
<td>0.2</td>
</tr>
<tr>
<td>Indian</td>
<td>49</td>
<td>0.1</td>
</tr>
<tr>
<td>Pakistani and Bangladeshi</td>
<td>73</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
<td>48</td>
<td>0.1</td>
</tr>
<tr>
<td>All children</td>
<td>32</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: Households Below Average Income (2001: Table 5.7)
Analysis of the 1994/95 Family Resources Survey by Adelman and Bradshaw (1998) showed that when employment status was controlled for, there were other factors that correlated with children’s increased risk of poverty, including living with cohabiting parents, or in ethnic minority households and having a large number of siblings.

Children just below the poverty line may lead lives not dissimilar to those just above it, while those further from the poverty line may experience considerably worse deprivation. A measurement of the ‘poverty gap’ (the difference between the incomes of those in poverty and the poverty line) thus provides an insight into the depth of poverty children experience. Adelman and Bradshaw (1998) used the Family Resources Survey 1994/95 data to calculate the poverty gap for children using 50 per cent of the mean average income in 1994/95. They found that the average poverty gap for children in 1994/95 was 22 per cent (£30.41) below the poverty line before housing costs and 31 per cent (£37.01) below the poverty line after housing costs.

Many families move in and out of the margins of poverty, but some children, particularly those in lone-parent families and families where there is disability, can experience long spells of poverty. Over a third (34 per cent) of lone-parent claimants and nearly half (46 per cent) of sick or disabled claimants have been receiving Income Support for five or more years (DSS, 2001b). Hill and Jenkins (1999) analysed BHPS data to provide a longitudinal perspective on child poverty. They identified two types of child poverty ‘chronic’ and ‘transitional’. Looking at children’s incomes over 6 years they found that pre-school children were particularly vulnerable to repeated (transitory) spells of poverty, one-fifth (21 per cent) were poor at least three times in six years; and 14 per cent were chronically poor. Differences in the duration of poverty, between short spells of poverty and recurrent spells of poverty may be particularly important. Experiencing recurrent spells of poverty can severely limited people’s capacity to accumulate adequate funds to sustain them in times of need (Walker 1998). However, for children even a short spell of poverty can be devastating if it occurs at a crucial time in a child’s social or developmental growth.

Both chronic and transitory periods of poverty are harmful to children’s lives and well-being. The effects of poverty in children’s lives need to be understood in both the short term (outcomes in childhood itself) and the long term (outcomes in adulthood). Evidence from quantitative studies

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6.1.2 Intensity of child poverty – the ‘poverty gap’

6.1.3 Duration of child poverty

6.1.4 The effects of poverty on children

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30 The poverty gap measure does have some limitations. It relies on the least reliable data at the tail of the income distribution (results from the Family Expenditure Survey show that those reporting the very lowest incomes often have an expenditure pattern that does not accord with reported resources).

31 This figure includes claimants with and without children.
show that poor children often experience homelessness, poor housing conditions and poor environments. They are also likely to suffer from poor health, poor cognitive development, low self-esteem and poor educational achievement (Bradshaw, 1990; Kumar, 1993; Gregg *et al*, 1999b; Hobcraft, 1998; Machin, 1999; Bradshaw 2001).

NCDS cohort data was used by Hobcraft (1998) to study the extent to which social exclusion and disadvantage were transmitted across generations and the life course. Using several variables, including childhood poverty, family disruption and contact with the police, he found that poor children tended to have low educational attainment and a lack of qualifications. They also had lower incomes as adults, which was also linked to poor performance at school, and lack of parental interest in schooling, particularly for men. Boys from poor families were also more likely to be unemployed as adults.

Gregg *et al* (1999b) also analysed National Child Development Study (NCDS) cohort data to explore the effects of childhood disadvantage in adulthood. They found a clear relationship between childhood disadvantage and adult economic and social outcomes. In childhood, disadvantaged children did much worse than others in terms of educational attainment; this continued into adulthood, regardless of cognitive skills at age seven years. At age 23, people who grew up in poor families facing financial difficulties had higher joblessness rates than others, five percentage points higher for men, and nine percentage points higher for women. Some of these disadvantages persisted and men age 33, had worse economic outcomes, lower wages and lower employment probabilities. Educational attainment clearly played an important role as a transmission mechanism. There was little evidence of inferior performance related to growing up in a lone-parent family if there had been no financial hardship.

There have been few studies that engage with poor children themselves, the exceptions are Middleton *et al* (1994), Shropshire and Middleton (1999), Roker (1998) and Ridge (2001). But what evidence there is shows that poor children are under considerable social and material pressure, particularly in relation to the demands of maintaining social participation and inclusion with their peers. How far these childhood experiences of social exclusion are a factor in poor educational outcomes is uncertain, and there is a need for further research with children that can combine these qualitative insights with quantitative analysis of outcomes.

6.2 The costs of a child

It is evident that financial difficulties for families have severe repercussions for children. Evidence quoted in Chapter 4 showed that mothers in particular strive to protect their children from the worst effects of poverty, in the face of constrained and inadequate incomes. This section looks at different ways of estimating the direct financial costs of rearing children,
and assesses the implications of the findings of these studies for benefit adequacy. Figure 6.1 sets out the different approaches that have been used to estimate the cost of a child and the main UK studies using these methods in the 1990s (studies often use a combination of methods).

**Figure 6.1 Different approaches to establishing the cost of a child**

<table>
<thead>
<tr>
<th>Consensual Approach</th>
<th>Items and activities perceived by the public as necessities for children.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Dobson and Middleton 1998, Middleton et al 1994; Focus groups with parents from different socio-economic groups meet as a focus group and establish an agreed list of items and activities they consider an essential minimum for a child.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Budget Standards Approach</th>
<th>Experts from a range of disciplines, social sciences, nutrition etc. establish a detailed, costed budget for different family types, of goods and services deemed to be necessary to maintain a particular standard of living.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Oldfield and Yu (1993) measure the cost of a child using two standards of living; a modest-but-adequate budget and a low cost budget.</td>
<td></td>
</tr>
<tr>
<td>2. Parker (1998) Estimates the needs and living costs of two-parent and lone-parent families with two children at a low cost but acceptable living standard</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure based studies</th>
<th>Based on surveys of what families actually spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dickens et al (1995) Banks and Johnson (1993); Family Expenditure Surveys. The costs of a child are estimated by comparing the expenditure of those with children with the expenditure of those without. Equivalence scales are used to estimate the proportion of household costs that can be attributed to children. (These take account of the child’s age and family size.)</td>
<td></td>
</tr>
<tr>
<td>2. Small Fortunes (Middleton et al 1997) the first British survey to focus on the lifestyles and living standards of individual children.</td>
<td></td>
</tr>
</tbody>
</table>

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32 This chapter looks at the direct costs of children, for the indirect costs of children (e.g. foregone earnings) see Chapter Three.

33 Most of these studies focus on the cost of feeding, clothing and caring for children. Most do not cover the cost of childcare, which can be considerable (see Chapter 7) or the extra costs of education.
Arguably parents are best placed to identify the costs of raising children. Middleton et al's (1994) study used focus group work with over 200 mothers from a range of different socio-economic backgrounds to establish a list of essential items for children. Mothers were asked to act as a ‘budget standards committee’ to develop a consensus about what they felt to be an essential minimum for a child according to their age. These items were then priced for children of different ages and compared to 1994/95 Income Support rates for children. The results suggested that there was a considerable shortfall especially for young children between the ages of two and five years.

This consensual list of necessities for children has been developed further by Middleton et al, 1997, and Gordon et al, 2000. In both studies an index of childhood deprivation has been constructed based on whether children lack these essential items. Gordon et al (2000) classified children as poor if they lack one or more essential items on the list. Thirty-four per cent of children were poor by this definition. However, as a large proportion of children lacked one item in particular (a holiday away from home once a year) a more restrictive threshold was set, of two or more items; by this definition 18 per cent of children were poor. Figure 6.2 lists the items perceived by the general public as necessary for children in Britain today.

**Figure 6.2 Items perceived as necessities for children by the general public**

- **Food** – Fresh fruit or vegetables at least once a day; three meals a day; meat, fish or the vegetarian equivalent at least twice a day.

- **Clothes** – New, properly fitted shoes; warm waterproof coat; all required school uniform; at least seven pairs of new underpants; at least four pairs of trousers; at least four jumpers/cardigans/sweatshirts; some new, not second-hand, clothes.

- **Participation and activities** – Celebrations on special occasions; hobby or leisure activity; school trip at least once a term; swimming at least once a month; holiday away from home at least once a year; leisure equipment (age related); friends round for tea/snack fortnightly.

- **Developmental** – Books of own; playgroup at least once a week; educational games; toys (e.g. Dolls, teddies); construction toys; bike-new/second-hand.

- **Environmental** – A bed and bedding for self; bedroom for every child of different sex over 10 years; carpet in bedroom; garden to play in.

Source: Gordon et al (2000: Table 9)
The advantage of this approach is that it gives a clear indication of the accepted social and cultural standards for children that prevail in society. Social indicators have been used mainly to establish thresholds of poverty for children, rather than to establish the actual detailed cost of providing for them.

6.2.2 The family budget approach

The budget standards method prices a specific basket of goods and services based on society’s current standards and patterns of behaviour (see Bradshaw 1993 for an outline of budget standards methods used by York Family Budget Unit). Family budget standards are used to provide estimates of what it costs different types of families to rear their children at an acceptable standard of living (Oldfield and Yu, 1993; Parker, 1998).

The Family Budget Unit have developed a detailed budget standard which estimates the needs and living costs of lone-parent and two-parent families, each with two children, a boy aged ten years and a girl aged four years (Parker 1998). They have produced a ‘Low Cost but Acceptable’ (LCA) budget which includes food, housing, clothing, fuel, personal care, household goods and services, and leisure costs. Excluded are the costs of education and healthcare, as they are assumed to be available free, although the costs of access to them are included. The 1998 LCA budget was compared with 1998 Income Support levels, and showed a gap between Income Support guaranteed amounts and the LCA level of £32 – 39 per week for the two-parent families and £24-27 for the lone mothers. Recent increases in Income Support allowances especially for younger children will have narrowed this gap. Up-rating the ‘Low Cost but Acceptable’ budget by the Retail Price Index to October 2000 shows that the gap between the ‘Low Cost but Acceptable’ budget and Income Support has fallen to £5.95 per week for a lone-parent family (with two children under 11) and to £11.17 per week for a couple family (with two children under 11) (Bradshaw 2001a).

6.2.3 Parents’ actual expenditure on children

Dickens et al (1995) used the Family Expenditure Survey data to compare expenditure on children in two-parent and lone-parent households. They found that lone-parent families spend a substantially higher proportion of their incomes on their children relative to the expenditure of two-parent families. Expenditure on older children (aged over 11) in a lone-parent family was also significantly higher than expenditure on younger children. The expenditure on additional children in lone-parent families decreased with increases in family size. Dickens et al (1995) concluded that lone-parent families should receive additional support for children relative to two-parent families, and that it should be concentrated on the first child.

Evidence of what parents actually spend on their children is captured by the Small Fortunes Survey (Middleton et al, 1997). Information about 1,239 individual children was obtained in 1995, using a complex data collection system. The survey found that children have on average £3,000 spent on them each year and will have cost on average approximately
£50,000 by the age of 17. Ten per cent of spending on children is provided by other people, giving an insight into alternative resources that families draw on. Food accounted for the largest proportion of spending, but parents were also spending a significant amount on children’s education - on average £5.92 per week. Poor parents tried to protect children from the effects of poverty by going without themselves, and average spending on children was much higher than Income Support Allowances for children. Younger children were particularly disadvantaged in benefit calculations compared with older children.

All the evidence from these different approaches to measuring the costs of a child indicate that families need incomes to support their children which are higher than the benefit levels they are likely to be receiving. In addition, studies such as Kempson et al’s (1994) which looked at how poor families manage on a restricted income (see Chapter 4), revealed that despite their best endeavours to budget many families are experiencing considerable hardship. Being a parent is one of life’s most important roles, and research with low-income parents reveals how they struggle to protect their children from the worst effects of poverty, however, many feel undermined as parents through a lack of resources to adequately fulfil that role (Middleton et al, 1994; Cohen et al, 1992). These studies raise the question of how much is needed to ensure that benefits provide an adequate income. For a discussion of Minimum Income Standards (MIS) see Viet-Wilson (1998).

Since these studies were carried out there has been an equalisation of child personal allowances. Rates for children aged 0-15 were equalised in a two - stage process (October 1999 and April 2000) and increased again in June (WFTC) and October (all other benefits) 2000, resulting in an overall increase of over 70 per cent for child Allowances for the under 11s since 1997.

6.3 Financial support for children – the role of Child Support

Alongside the need to establish how much children cost there is also the issue of who should pay for children and this is most visible in respect of Child Support policy, where the contributions of the parents have to be made explicit. This is a complex and sensitive area of policy, which raises issues of equity and of the balance between parental rights and obligations in the context of an increasingly complex web of family relationships. Current policy was established with the Child Support Act (1991) which is concerned with ensuring that biological parents pay for their children (see Garnham and Knight 1994, Bennett 1997 and Barnes et al 1998 for an overview of the Child Support Act and Child Support policy). This section reviews the evidence relating to current practice and the role of Child Support payments in the lives of lone-parents, non-resident parents and step-families.
One intention of the Child Support Agency was to increase the numbers of lone parents receiving support from non-resident parents. This has been slow to happen and evidence from studies of lone parents, both before and after the Child Support Act (1991)\textsuperscript{34}, consistently show that around one in three lone parents receive regular Child Support payments. The likelihood of receiving such payments is correlated to marital status, gender and employment status (Bradshaw and Millar, 1991; McKay and Marsh 1994; Ford \textit{et al}, 1995; Ford \textit{et al}, 1998).

Bradshaw and Millar (1991) found that only 39 per cent of lone parents had ever received any cash payments and only 29 per cent had received regular payments. Those who had been divorced were the most likely to receive payments, with 40 per cent receiving regular payments, whereas only 14 per cent of single lone parents were receiving money regularly. Of those receiving regular support 30 per cent were lone mothers and only three per cent lone fathers.

Among the PRILIF lone parent cohort, 29 per cent of lone parents were in receipt of maintenance in 1991. This figure falls by 1998 as the cohort matures and members repartner, or their children leave home, until just 20 per cent received any Child Support payments in 1998 (Finlayson \textit{et al}, 2000).

These levels of Child Support are based on amounts reported by lone parents. Surveys of separated fathers show higher reported levels of Child Support payments (Bradshaw \textit{et al}, 1999). The ‘truth’ of these figures probably lies somewhere in between.

Table 6.2 shows receipt of maintenance by lone parent status and by changes over time. This shows consistent differences between 1991 and 1995, and between never-partnered lone parents and those that have been separated or divorced. Of the never-partnered in 1991, 15 per cent received maintenance, compared to 44 per cent of divorced lone parents. Both groups experience a reduction in numbers over time, but the differences in likelihood of receiving Child Support still remain in 1995. The bottom half of the table shows the status of lone parents in 1995, with some now either married or cohabiting. Those who have repartnered by 1995 were among those most likely to have received maintenance in 1991, but by 1995 they were more likely to have lost it (Ford \textit{et al}, 1998). This could indicate the reluctance of non-resident parents to pay Child Support when the mother repartners.

\textsuperscript{34} The Child Support Act 1991 has been considerably reformed and the Child Support, Pensions and Social Security Act 2000 introduces a reformed Child Support scheme in 2002. The reforms include a simpler, more transparent calculation system so non-resident parents will know in advance how much they have to pay, and an allowance for children in second families. Parents with care receiving Income Support will be allowed to keep up to £10 per week of the maintenance paid for their children.
Table 6.2  Receipt of maintenance by lone parent's status in the PRILIF lone parent cohort, 1991 – 1995

<table>
<thead>
<tr>
<th>Status in 1991</th>
<th>Received maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never-partnered</td>
<td>15</td>
</tr>
<tr>
<td>Separated from marriage</td>
<td>34</td>
</tr>
<tr>
<td>Separated from cohabitation</td>
<td>28</td>
</tr>
<tr>
<td>Divorced</td>
<td>44</td>
</tr>
<tr>
<td>Status in 1995</td>
<td></td>
</tr>
<tr>
<td>Never-partnered</td>
<td>13</td>
</tr>
<tr>
<td>Separated from marriage</td>
<td>38</td>
</tr>
<tr>
<td>Separated from cohabitation</td>
<td>23</td>
</tr>
<tr>
<td>Divorced</td>
<td>40</td>
</tr>
<tr>
<td>Married</td>
<td>38</td>
</tr>
<tr>
<td>Cohabiting</td>
<td>36</td>
</tr>
</tbody>
</table>

Source: Ford et al (1998: Table 3.3)

Receiving Child Support payments is consistently shown to be associated with employment status. Lone parents in employment were more likely to receive regular payments than those who were unemployed. (Bradshaw and Millar, 1991, McKay and Marsh, 1994; Marsh et al, 1997, Ford et al, 1998 Marsh et al, 2001). (See Chapter 8 for a discussion on the role of Child Support in the employment of lone parents.)

6.3.2 What do we know about non-resident parents?

The majority of non-resident parents are fathers, and there has been a growing interest in the rights, roles, and responsibilities of fathers in Britain. However, there is little statistical data available which gives an overall view of fathers as a group (see Burghes et al, 1997). It is evident that a growing number of fathers are living apart from some or all of their children.

Analysis of the BHPS data (Clarke, 1997) shows that more than one out of every eight (13 per cent) fathers of children under the age of 18 were not living with any of their children. A further one out of every 40 (2.5 per cent) were living with only some of their dependent children. Fathers of only one child were the least likely to be living with them; nearly one in five (19 per cent) were not doing so.

Information about the characteristics of non-resident parents can be found in several sources. Surveys of lone parents as above (Millar and Bradshaw, 1991; Ford et al, 1998, Marsh et al, 2001) (rely on lone-parents reporting information about non-resident parents); studies which gather information about both mothers and fathers before and after separation (Jarvis and Jenkins, 1998); and studies which look in detail at absent fathers (Simpson et al, 1995, Bradshaw et al, 1999).
This section will draw heavily on Bradshaw et al’s (1999) study of 600 non-resident fathers carried out in 1995/96. The study also included two qualitative studies, one focusing on the fathers’ relationships with their children (20 fathers) and the other looking in depth at fathers’ financial obligations (18 fathers).

Table 6.3 shows the household circumstances of Bradshaw et al’s (1999) sample, and illustrates the complexity of family circumstances and relationships. Thirty-six per cent were living alone, 42 per cent were living with a new partner, and four per cent were living with some of their own children, but not with female partners. Seventy per cent were living in households where there were no children. Eleven per cent had new children only living with them. Five per cent were living with their children from a previous relationship; and six per cent had children living with them from a mix of relationships. Nine per cent lived with step-children only. Forty-two per cent had re-partnered, 19 per cent of those with lone parents.

### Table 6.3 Household circumstances of non-resident fathers

<table>
<thead>
<tr>
<th>Household composition</th>
<th>Non-resident fathers (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living alone</td>
<td>36</td>
</tr>
<tr>
<td>Living with partner only</td>
<td>16</td>
</tr>
<tr>
<td>Living with partner and children</td>
<td>26</td>
</tr>
<tr>
<td>Living with children only</td>
<td>4</td>
</tr>
<tr>
<td>Living with relatives (no partner or child)</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Children in household</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No child in household</td>
<td>70</td>
</tr>
<tr>
<td>New children only</td>
<td>11</td>
</tr>
<tr>
<td>Child from previous relationship only</td>
<td>5</td>
</tr>
<tr>
<td>Step child only</td>
<td>9</td>
</tr>
<tr>
<td>A mixture of children</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Bradshaw (1999)

Comparing the characteristics of non-resident fathers in their study with resident fathers in the Family Resources Survey 1994/95 Bradshaw et al (1999) found that non-resident fathers in the sample were more likely to be in lower social groups, have poorer health, be younger and live in smaller households than fathers in general.

### 6.3.3 What factors influence payment of Child Support?

Evidence from The British Social Attitudes Survey (Kiernan, 1992) shows general agreement among men and women that fathers should support their children whether they are legally married or not. Ninety per cent of men and 95 per cent of women are in favour in principle. However, attitudes to maintaining children after repartnering indicate that the biological father’s role is not necessarily seen as a lifetime commitment,
and that there is also perceived to be a role for step-fathers to contribute to their step-children.

To understand the factors behind non-payment by non-resident fathers we need to consider a number of different issues, including the complex interplay between ability to pay, perceived legitimacy of need, perceptions of parental obligations and the quality of relationships between non-resident parents, parents with care and children. Bradshaw et al (1999) identify two sets of factors in their study: those related to capacity to pay, and those related to willingness to pay (see Figure 6.3).

Capacity to pay is clearly an important issue. The evidence from several sources points to a higher than average unemployment rate among non-resident fathers (Ford et al, 1998, Jarvis and Jenkins, 1998). Bradshaw et al (1999) found that non-resident parents in their sample were more likely to be unemployed and were on average more likely to receive low wages, be dependent on social security benefits, and be poor.

The second section of Figure 6.3 shows a complex mix of moral, social, emotional and relational factors that can impact on whether Child Support is paid. Bradshaw et al (1999) divided their sample into three groups, those who were willing payers, those who were paying as a result of enforcement and those who were not paying at all. The key difference between the three appeared to be the presence or absence of contact with non-resident children.

Almost all of those who were paying willingly had contact with children and saw it as a duty to provide, although they did not always place the obligation to non-resident children first. Payment of Child Support eased relationships and negotiations between non-resident parents and mothers; payment was reciprocal: fathers paid and expected contact in return. In some cases payment acted as a form of compensation to alleviate guilt for past behaviour.

Enforced payers and non-payers had similar profiles to each other. The majority had no contact with their children, and poor relationships with their ex-partners, who they felt were obstructing contact and inhibiting the satisfactory development of a relationships with their children. These fathers tended to deny any ‘legitimate’ need for financial support, either putting their second families financial needs first, or rationalising that mothers (and step-fathers) had sufficient funds to manage without Child Support payments.
### Figure 6.3  Factors associated with non-resident fathers’ Child Support compliance

<table>
<thead>
<tr>
<th>Contingent factors related to capacity to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Fathers’ income</td>
</tr>
<tr>
<td>• Fathers’ commitments to second families</td>
</tr>
<tr>
<td>• Mothers’ socio-economic circumstances</td>
</tr>
<tr>
<td>• Children’s need for support</td>
</tr>
<tr>
<td>• Past financial settlements</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingent factors related to willingness to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>• History of relationship with mother and child(ren)</td>
</tr>
<tr>
<td>- How child conceived</td>
</tr>
<tr>
<td>- Confidence over paternity</td>
</tr>
<tr>
<td>- Length and quality of paternal relationship</td>
</tr>
<tr>
<td>- Length and quality of relationship with child (related to child’s age)</td>
</tr>
<tr>
<td>- How relationships ended: blame/guilt</td>
</tr>
<tr>
<td>• Parental relations post-separation</td>
</tr>
<tr>
<td>- Reciprocal behaviour</td>
</tr>
<tr>
<td>- Reached shared understanding</td>
</tr>
<tr>
<td>- Sharing parental responsibilities</td>
</tr>
<tr>
<td>- Blame/guilt</td>
</tr>
<tr>
<td>• Relations with child post-separation</td>
</tr>
<tr>
<td>- Wanting and seeking contact</td>
</tr>
<tr>
<td>- Having active contact</td>
</tr>
<tr>
<td>- Guilt over reduced/unsatisfactory fatherhood role</td>
</tr>
<tr>
<td>• Legal expectations and the threat of enforcement</td>
</tr>
</tbody>
</table>

Source: Bradshaw et al (1999)

Bradshaw et al (1999) conclude that the obligation to pay maintenance is a negotiated one, and relationships with mothers and children are critical in the development and sustenance of secure financial commitment. Other factors that appear to influence Child Support are: age of children at separation, gender and the proximity of non-resident parent to child (Eekelaar and MacLean, 1997, Simpson et al, 1995).
Research shows that informal support also plays an important role in maintaining some children. (Simpson et al, 1995; Clarke et al, 1994; Daniel and Burgess, 1994; Clarke et al, 1996; Marsh et al, 1997; Bradshaw et al, 1999). Where non-resident parents were not paying regular Child Support, there was often a fear amongst lone parents that they would withdraw informal support if pressed to comply by the Child Support Agency (Clarke et al, 1994).

These studies reveal the diverse and complex nature of parental rights and obligations. Eekelar and MacLean (1997) explored the different perceptions mothers and fathers may have about each other and their rights and duties with regards to their children. Their study focused on the lives of 250 children who were no longer resident with both parents. Three factors were particularly associated with parental contact and the payment of Child Support. Firstly, contact between non-resident parents and their children varied according to previous relationship status. It was most likely to be maintained by formerly married parents, followed by previously cohabiting parents, and lastly by fathers who had never lived with their child(ren). Secondly, contact with children was strongly associated with payment of support. Finally, subsequent pairing with a new partner by either parent had a strong negative effect on contact and payment of support. Fathers related obligations more closely to ‘social’ parenthood than natural parenthood. Nearly half would reduce or stop payments if their first wife remarried, and two thirds felt that stepchildren would affect the financial support of first families. Mothers were more inclined towards obligations attached to natural parenthood, particularly as natural and ‘social’ parenthood coincide for most mothers (see also Burgoyne and Millar, 1994).

There has been very little research that explores the impact on step-families of Child Support payments. Step-families have only recently been the target of research, and much of this has tended to be focused on child development and step-parenting issues. The key text in this field is Ferri and Smith (1998) who provide a detailed account of step-parent families using the National Child Development cohort at age 33. Over half of the step-families were co-resident (55 per cent), that is the new couple and some or all of their children living together; the remainder were step-families where one or both adults had children living elsewhere. In over half of the co-resident families (56 per cent) the new couple had produced children. Step-families tended to have a larger number of children than first families, and they were typically spread over a wide age range. Step-families also tended to have lower incomes than their peers in first families, and payments of Child Support may seriously disadvantage some step-families.

Payment of Child Support among all non-resident fathers in the NCDS cohort was 61 per cent (Ferri and Smith, 1997, cited in Ferri and Smith, 1998). However, step-fathers appeared to be more likely to pay Child Support.
Support (68 per cent), which would indicate that re-partnering had not necessarily resulted in a reduction in support for children of a previous relationship. This would appear contrary to the findings of other studies (above) which indicate that the existence of second families negatively impacts upon the obligation to pay.

As well as paying Child Support, step-families are also the recipients of Child Support. One third of the step-father families (32 per cent) in the NCDS cohort recorded Child Support payments into the household, and 42 per cent of households that paid Child Support out, also had regular payments of Child Support coming in (Ferri and Smith 1998). The SOLIF (Marsh et al., 2001) study found that one in seven low-income couples were entitled to Child Support payments; about half (51 per cent) had an order, but only a quarter (26 per cent) said they received payments (this number could be higher as the Child Support Agency may be collecting payments unseen and deducting from Income Support/Family Credit leaving some couples unaware of the payments).

It is difficult to assess the effects of Child Support payments on children and child poverty. There has been little research that deals directly with this issue from the perspective of children’s well-being. Marsh et al. (1997) using the PRILIF data set to explore the effects of Child Support on family welfare were unable to establish an independent role for Child Support in family welfare. Families receiving maintenance payments were no better off than other families. Children living in households on Income Support did not receive any extra financial support from the payments as they are deducted without any disregard. However, under the new Child Support rules35 from April 2002 lone parents on Income Support will be able to keep £10 per week of the maintenance payment, this will go some way towards supporting children on the lowest incomes. Where maintenance did appear to have an effect was in conjunction with relatively low-paid work and in-work benefits (including the £15 disregard associated with Family Credit), as ‘a three way joint effort’ (Marsh et al. 1997). At present, the importance of maintenance payments for child poverty would appear to lie most in its incentive effect on lone parents and work (see Chapter 9).

There are two recent studies that compare UK Child Support with schemes in other countries. Barnes et al. (1998) provide short summaries of the way child maintenance is determined and enforced in eight countries (Australia, Austria, France, Germany, the Netherlands, Norway, Sweden and the USA). Corden (1999) focuses specifically on European countries and provides a detailed analysis of the systems in Austria, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden

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35 Under reformed Child Support scheme.
and the UK. This highlights the wide variety of different structural and administrative arrangements. For example, decisions might be made by parents themselves, by the courts, or by administrative bodies and the mix of discretion and rules varies substantially. The study also attempted to look at outcomes but it is difficult to get comparable data on these. All countries had problems with achieving compliance although the Scandinavian countries (apart from Finland) seem to have been most successful. The UK and the Netherlands were the only two countries with no system of ‘advance’ payments. In ‘advance’ payments systems the lone parents receives a standard fixed amount and it is then the responsibility of the government to recoup those payments from the separated parent (Millar, 1996a has argued that the ‘Child Support’ and the ‘advanced maintenance’ approaches to Child Support represent two very different models with very different underlying values).

The Australian Child Support Agency also produces a regular report which provides Child Support ‘profiles’ for various countries, compares how different countries would deal with particular hypothetical cases, and discusses current political and administrative issues (CSA Australia, 2001). The collection edited by Oldham and Melli (2000) gives a comprehensive picture of current trends and debates in Child Support policy and practice in the USA.

This final section looks at the research evidence concerning outcomes for children of family dissolution. The issue of divorce and family breakdown is socially and politically charged and debates about child outcomes can easily lead to an over simplification of inherently complex issues. In this review we will concentrate on UK studies and draw, in particular, on two recent reviews by Burghes (1994) and Rodgers and Prior (1998). The data on this topic is subject to considerable methodological difficulties and limitations, particularly in disentangling the multitude of factors that are operating in children’s lives before, during and after family dissolution, and understanding the subtle connections between these. Figure 6.4 contains some key UK studies from the last 10 years.

6.4 The outcomes for children of changing family structures

There is an extensive literature in the USA, see Amato and Keith, 1991; McLanahan and Sandfur 1994; and Amato and Gilbreth, 1999.
Rodgers and Prior (1998) conducted a meta-analysis of evidence from over 200 UK research reports. Some key findings were:

- Educational outcomes – children from separated families in all studies performed lower on educational measures than children from intact families, and this was especially so in respect of formal qualifications. The differences were statistically significant but also tend to substantially reduce or disappear when socio-economic factors were taken into account.

- Early adult transitions - children with separated parents are more likely to leave school and home when young, become sexually active at a young age, form a cohabiting partnership, and become a young parent.

- Antisocial behaviour – research has consistently shown higher levels of antisocial behaviour in children from separated families compared with children from intact families. They also tend to report more depression, smoking, drinking and drug use during adulthood and adolescence. However, this evidence is limited, complex and the outcomes typically evident in only a minority of children.

- Physical health – there have been fewer studies of children’s physical health in comparison to social and psychological outcomes. Findings from these studies are mixed, but overall children from separated families appear to have more health problems and GP consultations, experience more accidents and be admitted to hospital more often than those in intact families.

- Poverty - there is a very strong relationship between living in a lone-parent family and poverty and disadvantage in childhood, persisting into adulthood for some children. *The magnitude of the impact of socio-economic disadvantage far exceeded that for all other outcomes considered.*
Rodgers and Prior (1998) also looked at studies that compared outcomes for children from step-families, intact families and lone-parent families. They found that in general children from step-families fared less well than children from intact families, and in some instances worse than those in lone-parent families. In particular the risks of adverse outcomes for older children were higher in step-families than in lone-parent families, especially in terms of educational achievements, early transitions to adulthood, early sexual activity and early parenthood. Younger children appeared to fare better. These findings may reflect the capacity of younger children to adjust to changing family situations better than older children.

Children who had suffered the death of a parent also have adverse outcomes, but not across the same range as children from separated families. In particular they are less likely to experience the same risk of lower educational achievement, lower socio-economic status, and poorer mental health. However, Rodgers and Pryor (1998) did report some evidence that moving into a step-family situation, although likely to improve socio-economic status for children, was also likely to result in worse outcomes than for those in lone-parent families after bereavement.

These findings need to be treated with caution. First, any one of these findings will only apply to a minority of children whose parents have separated. Second, separation and divorce are a process, not an event, and what happened in the family prior to the divorce has also been shown to be important (Rodgers and Prior 1998). Third, it cannot be assumed that parental separation is the underlying cause and there are other mediating factors that may provide as much if not greater explanatory power than parental separation and lone-parenthood. These include economic factors (poverty and disadvantage before, during and after family breakdown) and parental factors (parental absence, the psychological well-being of parents, the degree of contact with the non-resident parent, and conflict between parents at all stages of the separation process). Differences between children that affect their responses to parental separation include their age and gender at the time of separation and at the time of step-family formation, and the personal resources they have to draw on – their vulnerability and resilience. Burghes (1994) concludes that there is no single or straightforward relationship between family disruption, lone parenthood and outcomes for children, particularly when allowing for other social and psychological influences. ‘There is no inevitable path down which children will travel’.

Moreover, as Utting (1995) has argued this sort of research does not reflect the diversity of family types that are emerging, and the comparisons between ‘intact’ and ‘lone-parent’ families, which form the basis of many of these studies, present a very static picture. And children themselves tend to be treated as the passive victims of divorce and separation, rather than as active social and moral agents who can themselves influence the processes and outcomes (Douglas 2000, and Neale and Smart 2000). A
recent study of almost 500 children between the ages of five and 16 examined their perspectives on the family changes they had experienced (Dunn and Deater-Deckard, 2001). This found that about a quarter of these children said that no-one has talked to them about the separation when it happened, that many felt confused and distressed, and that grandparents could be very important in helping children through the changes. Among those children who were living in two households, those who felt they were able to play a more active role in decision-making about this felt the most positive about their changed living arrangements.

6.5 Summary

This chapter has focused on support for children through a review of evidence that is centred on their lives and experiences. It is clear that children are disproportionately likely to suffer from poverty, and some children will experience severe poverty, possibly over long durations. The outcomes of poverty for children are severe, and need to be seen in the context of childhood as well as future adulthood. Even short transitory spells of poverty can have a significant affect. To establish an income sufficient to keep children out of poverty we need to know the costs of raising children and whether wages and benefit levels are sufficient for families to meet these basic costs. The evidence shows that benefit levels fall well below an adequate income for meeting the cost of children.

Financial support for children from their non-resident parents is also an important source of potential support for children; however, few lone mothers receive regular payments of Child Support. A review of the reasons underpinning non-compliance with Child Support payments revealed a complex mix of factors, which included the interplay of old and new relationships, and gender differentiated perceptions of family obligations, and equity and need. Step-families play an important role in Child Support issues, both as a factors in non-compliance and as payers and receivers of Child Support.

The final section of the chapter looked at the outcomes for children of family disruption. Here the evidence is complex and there appears to be no straightforward relationship between family disruption and adverse outcomes for children. What is apparent is that there is a wide range of economic, social and psychological factors that can influence the lives of children and their families. With a growing diversity of family forms, experiencing life with a lone parent or a step-parent will increasingly become a common experience for children.
This chapter looks at how families in general reconcile their working lives with their caring responsibilities.\textsuperscript{37} The first section outlines current trends in childcare use, including cost and availability. The next section looks at formal and informal childcare arrangements, and parents’ attitudes to childcare, including a discussion of children’s experiences of childcare, and the needs of families with other caring responsibilities. The final part of the chapter is concerned with reconciling work and care through family-friendly employment practices and also includes a discussion of parental leave.

7.1 Childcare use

Adequate, affordable and accessible childcare is an important requirement in family strategies for balancing the demands of home and working life. There is a considerable body of evidence from large surveys about childcare arrangements, much of this focuses on childcare for all parents not solely low-income ones (see Figure 7.1).

### Figure 7.1 Surveys of childcare use and demand

<table>
<thead>
<tr>
<th>Survey Title</th>
<th>Coverage</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>DfEE (now DfES) Parents’ Demand for Childcare Survey</td>
<td>Childcare use and demand. All parents with a child under 14 years, working and non-working.</td>
<td>La Valle \textit{et al}, 2000</td>
</tr>
<tr>
<td>Family Resources Survey and LA database</td>
<td>Take-up, use, demand for childcare; obstacles to supply and provision.</td>
<td>Callender (2000)</td>
</tr>
<tr>
<td>Survey commissioned for the Women’s Unit</td>
<td>Women’s attitudes to combining paid work and family life.</td>
<td>Bryson \textit{et al}, 1998</td>
</tr>
<tr>
<td>British Social Attitudes Survey</td>
<td>Attitudes to work and childcare, all parents working and non-working (1990), and working and non-working mothers (1994).</td>
<td>Thomson 1995. Witherspoon and Prior, 1991</td>
</tr>
</tbody>
</table>

\textsuperscript{37} Childcare as a barrier to work and the issue of childcare for students and people in education and training are discussed in Chapter 8.
The evidence from all these studies indicates that the numbers of parents using childcare is increasing. However, childcare arrangements are complex and involve the interaction of several different factors. These include parental employment status – in particular whether mothers work full or part-time-socio-economic status, family structure, and children’s age.

The latest evidence from the 1998 General Household Survey (Bridgwood et al., 2000) shows that childcare is used by employed and non-employed mothers. The likelihood of using childcare was associated with mothers’ economic activity particularly for school age children. Three-quarters of pre-school children whose mothers worked full time were in childcare, and two-thirds of children whose mothers worked part-time, compared to a quarter of pre-school children with economically inactive mothers. Children at school with full-time working mothers were six times as likely to be in childcare as those with economically inactive mothers.

The DfEE survey of childcare38 in 1999 (La Valle et al., 2000) interviewed a representative sample of over 5,000 parents drawn from Child Benefit records. They found that 86 per cent of parents used childcare of some kind in the last year, and 57 per cent had used childcare in the last week. The strongest predictors of childcare use were employment, income status, children’s age and number of children in the household. Parents working full time were the most likely to use childcare: 77 per cent of lone parents in full-time work and 70 per cent of couple families with both in full time work used childcare in the previous week. Families in higher income groups and non-manual occupations were most likely to use childcare, and used it in the greatest quantities. The use of childcare decreased with the age of the child. Children aged three and four were the most likely to have received childcare (76 per cent in the previous week), and 12 – 14 year olds the least (29 per cent).

The focus on childcare is invariably a focus on women. Childcare has been primarily seen as a ‘mother’s’ responsibility, rather than as a parental one. Women in the main tend to organise, arrange and pay for childcare and it is women who change their employment to fit in with childcare needs (Brannen and Moss 1991, Joshi et al. 1995, Bryson et al. 1998) (see Chapter 5 for a discussion of the economic costs to women in forgone earnings of caring for children).

Childcare use differs considerably across geographical regions. Table 7.1 shows the level of childcare usage per child between regions (La Valle et al., 2000). The lowest level of usage was in London, with 69 per cent of

7.1.1 Geographical variations in the use of childcare

38 A wide range of formal and informal providers were included in the definition of childcare. These included child minders, babysitters, crèches, playgroups, nurseries, out-of-school clubs, grandparents and other relatives.
children receiving childcare in the past year. The highest was in the South East at 90 per cent. Further analysis between household income, employment status and regional trends in childcare showed that the lowest levels of childcare were in areas with the lowest levels of mothers in employment. In London childcare was only used for 36 per cent of children in the reference week, it also had the lowest proportion of mothers in paid employment (45 per cent), and 40 per cent of households with a gross annual income of below £10,399. In the South West where the use of childcare was considerably higher at 49 per cent, 68 per cent of mothers were in paid employment, and 19 per cent of households had a gross income below £10,399.

Table 7.1  Level of childcare use per child by region

<table>
<thead>
<tr>
<th></th>
<th>North</th>
<th>Yorks/</th>
<th>East</th>
<th>South</th>
<th>South</th>
<th>East</th>
<th>London</th>
<th>Wales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Last week</td>
<td>47</td>
<td>45</td>
<td>43</td>
<td>49</td>
<td>46</td>
<td>36</td>
<td>38</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Last year</td>
<td>82</td>
<td>87</td>
<td>77</td>
<td>89</td>
<td>90</td>
<td>69</td>
<td>82</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Base - weighted</td>
<td>388</td>
<td>1303</td>
<td>551</td>
<td>876</td>
<td>2506</td>
<td>951</td>
<td>509</td>
<td>9270</td>
<td></td>
</tr>
<tr>
<td>Unweighted</td>
<td>349</td>
<td>1140</td>
<td>485</td>
<td>780</td>
<td>2184</td>
<td>821</td>
<td>441</td>
<td>8134</td>
<td></td>
</tr>
</tbody>
</table>

Base: All children.
Source: La Valle et al.(2000: table 2.2)

7.2 Formal and informal care arrangements

Parents use a wide range of childcare arrangements and these tend to fall into two groups: formal paid care (including nurseries, playgroups, workplace crèches and child-minders), and informal care (childcare from family members and friends, which is usually unpaid, although it can be paid for in cash or kind). A further distinction is between registered and unregistered childcare. Registered childcare includes child minders, playgroups and nurseries registered with a local authority, and after-school-clubs or holiday play-schemes that are registered, approved or on school premises. Nannies, although considered to be formal paid childcare, are not registered for childcare. These are important distinctions as only registered childcare can be counted as ‘eligible’ childcare for the purposes of claiming help with childcare costs through the childcare credit in Working Families’ Tax Credit.

The evidence from all studies point to a strong preference for informal care among both lone parents and couples families. Table 7.2 shows childcare use in 1999 according to family type and employment status. Both family types showed similarly strong preferences for using informal care, with three-quarters of them reporting informal care use in the last year. Formal childcare was higher among couple families at 51 per cent in the last year, compared with 41 per cent of lone parent families. About a third of families (39 per cent of couple families, and 31 per cent of lone-parent families) had used a combination of formal and informal care
throughout the year. However, figures for childcare use in the previous week showed a much smaller proportion of combined use, which would indicate that parents did not use combined methods on a regular basis. Lone parents working full-time are more likely to use formal care (51 per cent) than those working part time (40 per cent) (La Valle et al, 2000).

Table 7.2  Childcare use by household structure and employment

<table>
<thead>
<tr>
<th></th>
<th>Two-parent family</th>
<th>Lone-parent family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Both work full-time</td>
<td>One full-time one part-time</td>
</tr>
<tr>
<td>Formal</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>Informal</td>
<td>79%</td>
<td>82%</td>
</tr>
<tr>
<td>Formal only</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Both</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>Informal only</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>Base</td>
<td>838</td>
<td>1508</td>
</tr>
</tbody>
</table>

Base: All households.
Source: La Valle et al (2000: table 1.14)

The age of the child needing care is significant in the choice of care. Parents with children under five years of age are more likely to use professional care than those with older children. However, the majority of parents still preferred to use informal care for pre-school children as well as for those of school age (Finlayson et al 1996, Bridgwood et al, 2000, Marsh et al, 2001). Some mothers tailor their employment around their children’s school times. Finlayson et al, (1996) found that 30 per cent of working mothers with children aged between 11 and 15 years of age avoided using other forms of childcare altogether by only working during school hours, or working at home.

Attitudinal surveys, which look at parents’ preferences for childcare show that informal childcare is the childcare of choice for the majority of parents (Thomson 1995, Bryson et al, 1998). The DfEE survey of childcare demand asked parents to choose their first choice of provider, while they were working, studying or training. The overall choice was informal care, and 29 per cent chose their partners, 16 per cent a grandparent and 18 per cent would ideally prefer to work in term time only. The most common choice of formal provider was a crèche/nursery but this was chosen by just five per cent of parents (La Valle et al, 2000)

Fathers frequently undertake informal care in couple families. Ferri and Smith’s (1996) study of married couples in the NCDS cohort at age 33 years found that fathers alone or in combination with other sources of care (mainly informal) provided care in four out of ten cases where the
child was under five and in half of those where the child was over five. In dual-earner families fathers were most likely to provide care where the mother worked very short hours (less than 16 hours per week). Fifty-four per cent of husbands looked after under-fives in this group, with 37 per cent being the sole carer. ‘Shift-parenting’ was common in these families and in 71 per cent of cases the mother worked in the evening between 6pm and 10pm. When mothers worked longer hours (35+) fathers figured considerably less in the caring arrangements; just 19 per cent in families with under fives, and only four per cent with sole caring responsibilities.

Ferri and Smith (1996) also looked at a small group of single-earner families where the mother was employed and found that as expected fathers were providing a high proportion of care with 75 per cent involved in some form of childcare. However, only 39 per cent of those with pre-school children were sole carers, indicating the limited extent to which fathers in these families had taken the burden of full family responsibility.

For lone mothers the preference for informal care is just as strong as couple mothers’ but without the support of a partner to help with care. There is some evidence that ex-partners play a role in childcare although this is generally a small one. The DfEE survey of childcare found that 25 per cent of full time working lone parents and 29 per cent of part time working lone parents had used their ex-partners for childcare in the past year (La Valle et al, 2000). However, Finch and Gloyer (2000) in a study of childcare and the NDLP found that although some lone parents turned to their ex-partners for help with childcare in the short term, such support tended to dwindle over time, and some were reluctant to use this source of childcare at all. In general, lone parents were most likely to use childcare from friends and relatives (46 per cent of lone parents working full time and 53 per cent working part time) (La Valle et al, 2000).

Grandparents play an important role in childcare for lone mothers, and couple families (Bradshaw and Millar 1991, Ferri and Smith 1996, La Valle et al, 2000). This is particularly apparent where women are working part-time: 66 per cent of childcare in couple families (where one worked full time and one part time) and 60 per cent of childcare in lone-parent families who worked part time was provided by grandparents over the previous year (La Valle et al, 2000). It is possible that grandparents are becoming more central to supporting and sustaining families in their endeavours to balance work and caring responsibilities. However, family obligations to care cannot be assumed, and care and support often rely on reciprocity and negotiation (Finch and Mason 1993). The British Social Attitudes Survey (Dench et al, 1999) showed that although grandparents placed a high value on their relationships with their grandchildren, where grandparents are able to chose how much childcare support they give to their children many provide very little. Where childcare support is high
grandparents often report a lower level of satisfaction, this effect is heightened after family breakdown when greater levels of support are imposed by family circumstances.

The strong preference for informal childcare creates a financial disadvantage for low-income couples and lone parents receiving in-work benefits who would otherwise be eligible for the childcare credit in Working Families’ Tax Credit. Table 7.3 shows childcare used by lone parents and couple families in the SOLIF data (Marsh et al, 2001). Only 21 per cent of low-income couple families and 29 per cent of lone parents used registered care. Lone parents appear to be more likely to pay for some of their care, 36 per cent paid for some of their childcare compared to 24 per cent of couple families. However, these figures are inflated by the inclusion of higher income lone parents in the sample (64 per cent of higher income lone parents in the sample paid for some of their childcare).

Table 7.3 Childcare arrangements for working lone parent and low-to-moderate income couple families, 1999

<table>
<thead>
<tr>
<th></th>
<th>Lone parents</th>
<th>Couple families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used childcare</td>
<td>68</td>
<td>76</td>
</tr>
<tr>
<td>Paid for some childcare</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Used ‘registered’ childcare</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td>Used ‘unregistered’ childcare</td>
<td>85</td>
<td>91</td>
</tr>
<tr>
<td>Used both ‘registered and ‘unregistered’ childcare</td>
<td>14</td>
<td>12</td>
</tr>
</tbody>
</table>


7.2.2 Formal childcare provision

Much of the research evidence, particularly in the early 1990s, pointed to a major shortfall in affordable and accessible childcare to enable mothers to enter paid work (Millar and Bradshaw, 1991; Cohen and Fraser, 1991; Holterman and Clarke, 1993; Holterman, 1993). Studies that are more recent have shown that cost and availability are still issues for parents.

The PSI Maternity Rights study found that a third of mothers could not earn enough to return to paid work after the birth of their child, and one in ten mothers said that they were unable to find suitable childcare for their needs (Callender et al, 1997).

Following the launch of the National Childcare Strategy the numbers of formal childcare providers is rapidly expanding (Stratford et al, 1997; Prior et al, 1999; Smith and Barker, 1999; Smith and Barker 2000, Blake et al, 2000, DfEE, 2000, DfES 2001).

After school care plays an important role in childcare provision for older children. Evidence from a survey by the Kids Club Network (Smith and Barker 2000) shows that after school clubs have expanded rapidly from about 350 in 1990 to over 5,000 in 1999, and numbers are set to rise to

39 These include after school clubs, breakfast clubs and holiday clubs.
a further 30,000. At present demand for places exceeds supply, and over 11,400 children were on waiting lists in 1999.

The numbers of Day Nurseries has steadily risen in the last decade from 2,900 in 1990 to 7,800 in 2000. Play group and pre-school places have increased to 353,100 and there was a 15 per cent increase in holiday schemes between 1999 and 2000.

While overall provision of formal childcare is increasing, within this, the numbers of registered child-minders are decreasing. Numbers have fluctuated during the 1990s, falling from a high of 109,200 in 1992 to 75,600 in 2000 (DfEE 2000). The decrease in the numbers of registered childminders could be a cause for concern. Child-minders play a significant role in supplying formal childcare needs (Marsh and McKay 1993, Bridgwood and Savage 1993) especially for full time working mothers and those in high status employment (Bridgwood et al, 2000). Analysis of the Family Resources Survey for 1993–1996 by Mooney et al (2001) showed that after informal care, child-minders were the highest providers of care to under fives, accounting for nearly a quarter (22 per cent) of formal care arrangements.

Callender (2000) used Family Resources Survey data and linked locality data to assess how far local supplies of childcare affected working mothers’ use of formal childcare. She found that taking all factors into account, including mothers’ characteristics and family circumstances, numbers of child-minding places and out-of-school club places were both significant influences on the demand for formal childcare. Lack of availability of these care places constrained childcare demand.

Out of school clubs play an important role in the National Childcare Strategy through provision of care for older children, and there has been considerable growth in provision. Smith and Barker (2000) in a small survey of 25 out of school clubs found that cost and services provided were very variable. There was a lack of concessionary places for children of low-income families and those with special needs; less than half (40 per cent) offered concessions to low-income families and only 21 per

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40 Holiday schemes care for children of school age during the school holidays and operate like out-of-school clubs.

41 Provisional figures for 2001 indicate that between March 2000 and March 2001 there has been an increase of 300 (3%) in the number of day nurseries and a decrease of 300 (2%) in the number of playgroups. The number of child-minders is still falling with a decrease of 3,300 (4%) between March 2000 and March 2001 (DfES 2001).

42 Numbers of child-minders are difficult to ascertain as they may remain on Local Authority registers when they are no longer minding. A quarter of respondents in a survey of child-minders by Mooney et al, (2001) had stopped child-minding either permanently or temporarily, even though their names were still on local authority lists as active.
cent of clubs had disabled children attending. There was also little awareness or promotion of ethnic diversity.

There is little formal childcare provision that is arranged with shift-working, or evening and weekend working hours in mind. After school clubs and private nurseries are the main exceptions; however a study for the Day Care Trust of shift-working families (Kozak, 1994) found that workers rely heavily on their partners for childcare. Nearly three-quarters of shift-working parents use more than one type of childcare during working hours, and 42 per cent reported childcare problems. Shiftworkers were paying more than other parents were for childcare, which placed a heavy burden on women who earned less than men. La Valle et al (2000) looked at the extent to which childcare is used at ‘non-standard’ times and found that 17 per cent of families were using early morning childcare, 17 per cent late afternoon childcare, nine per cent evening care and 18 per cent weekend childcare. The lowest use of childcare was among couples where one parent worked shifts and the other standard hours.

7.2.3 Costs of childcare

Clearly, the cost of formal childcare may be an important practical barrier to its use, although it is only a partial explanation of variations in childcare use (see discussion below). Childcare costs vary according to the type of care used and the time of day covered, and higher costs will be experienced by full-time workers, parents of pre-school children who need childcare during school hours, and families with more than one child.

The median weekly cost of childcare for working lone parents in the SOLIF sample was £20 for part-time workers (16–29 hours) and £40 for full-time workers (30+ hours). For couple families, it was £35 for part-time workers (16–29 hours) and £34 for full time (30+ hours). The highest costs were found to be for younger children aged between 0 and 4 years (Marsh et al, 2001). The majority of families in the DfEE survey (51 per cent) had childcare costs below £20 per week, although these figures represent an average of payments for all ages of children and full-time/part-time employment etc. Payments varied according to socio-economic status and the children’s age; families in the highest income brackets with pre-school children incurred the highest costs, with 17 per cent of families paying more than £70 per week (La Valle et al, 2000).

The advantages of informal childcare would appear to be its relative cheapness; however, informal care is not necessarily free of costs, one-fifth of working lone parents (18 per cent) and 12 per cent of low-to-moderate income couple families in the SOLIF sample were paying for informal care the average amount was £19 and £20 per week respectively. (Marsh et al, 2001). These payments would not qualify for help with

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43 ‘Non-standard’ times are early morning (6am to 9am), late afternoon (3.30pm to 6pm), evening (6pm to 10pm) and weekends.
childcare costs under the childcare credit in Working Families’ Tax Credit, as informal (unregistered) care is not seen as ‘eligible’ childcare. La Valle et al (2000) also found that while the majority of informal providers were not paid, 37 per cent did receive a payment in kind, this was mainly in the form of a gift for relatives or reciprocal childcare for friends.

The costs of childcare can also be counted in terms of time costs; Land (2001) argues that the location of childcare/schools in relation to home and employment is an important factor and places considerable constraints on the timing and location of mothers’ employment.

7.3 Attitudes to childcare

While cost and availability are clearly important practical barriers to childcare use, they provide only partial explanations of complex issues. Different employment conditions, economic circumstances, and social needs can influence attitudes to childcare. In addition, families’ perceptions of the appropriate childcare for their children can vary considerably, in particular attitudes towards childcare can be tied to deeply-held views on parenting and women’s identities as ‘good’ mothers.

The social tensions and ambiguities between being a ‘good mother’ and being a ‘good worker’ are particularly heightened in the case of lone parents where there is a potential conflict between the responsibility for sole caring and the need (and increasingly the social expectation) of taking up paid work. Attitudes in the general population towards lone parents working are ambivalent. The British Social Attitudes survey which asked whether a single mother with a pre-school child should go out to work, found that while the majority of men and women felt that she should choose to do as she pleased, 29 per cent of men and 20 per cent of women felt that she should stay at home and look after her child. This drops to five and four per cent respectively when she has a school-aged child. (Hinds and Jarvis, 2000; see also Hills and Orsolya, 1999)

Qualitative research with lone mothers about their attitudes to work and childcare reveals some of the complexity of this issue (Ford 1996, Duncan and Edwards 1999, Finch and Gloyer 2000). These show that costs and availability are only partial explanations for low childcare use among lone parents. Attitudes towards childcare are also shaped by their identities as sole parents, and there was a reluctance to leave children in the care of others. Some parents clearly preferred to be full-time mothers, while others felt a strong obligation towards compensating their children for the absence of the other parent through stable parental care. Children’s views on their childcare, either expressed verbally or through behaviour, were also influential. The overall preference was for informal care, which was seen as cheaper and more trustworthy; but this was restrained by feelings of obligation, and limited availability. Fears for children’s safety underpinned much of the concern about formal care; child-minders in particular were seen as having a poor reputation. (See Chapter 8 for further discussion of lone mothers’ attitudes to childcare and employment.)
7.3.1 Children and childcare

Parents are concerned about their children’s experience of childcare, and this can influence whether they use childcare at all and what type of care they choose. Children are the primary users of childcare services and yet their experiences of care are rarely sought. Recent initiatives, such as the ESRC Children 5-16 Research Programme, Kids’ Club Network and the DfEE Audit of Childcare Provision (which included a requirement for all local authorities to consult with children as well as parents and providers of childcare) have started to address this gap.

Smith and Barker (2000) carried out child-centred research with over 400 children aged between four and 12 years attending out-of-school services. They found that the majority of children (79 per cent) attended because of parental employment; but they enjoyed their time at clubs and saw it as an opportunity to meet with friends, especially in rural areas. A significant minority of children (19 per cent) chose to attend because clubs provided better play opportunities than they would have had at home. However, older children and boys tended to feel that the clubs were oriented towards the needs of younger children. These insights may help to explain why some older children are less likely to attend after school provision.

7.3.2 Childcare needs for parents with sick and disabled children

When children are ill it is usually mothers who take time off to care for them (Ferri and Smith 1996). For parents with children who have long term illness or disability the struggle to balance caring responsibilities with employment becomes particularly acute. Evidence from the SOLIF data shows that caring for a sick or disabled child is an important cause of some parents not working (see Chapter 8). Kagan et al, (1998) provides an insight into the lives of those who do manage to combine caring with work. They interviewed 42 working parents of disabled children (five lone parents and 37 couple families) to explore how families combine their work and care. All parents said they needed to work for financial and psychological reasons. However, due to the needs of their children, the dilemmas of combining work and care continued for longer periods than for other parents, sometimes indefinitely. The barriers to employment they identified were a lack of adequate childcare, benefit penalties, and a lack of flexibility in employment and the school system.

Kagan et al, (1998) identified four different types of dual earner arrangements in the 37 couple families. Nineteen families were ‘one and a half earner’ families where fathers worked full-time and mothers work flexibly part time. The others were evenly divided (six each) into ‘modified single-earner’ families in which the father worked full time and the mother worked a minimum of work to fit in with the fathers’ non-working time and the child’s needs; ‘full-time dual earners’ who needed considerable flexibility in work and community support; and ‘flexible dual earners’ where both partners worked part time or flexible hours. Many of the mothers said they would like to work more hours but were constrained by a lack of flexible childcare and benefit penalties. Without the extra
support from a partner, lone parents found it particularly hard to be sole providers and carers. This was a small sample of lone parents and more research is needed to understand how lone parents balance the demands of caring for a sick or disabled child with employment.

Data on carers can be found in the Family Resources Survey, the General Household Survey for 1995/96 (and in the forthcoming GHS 2000 survey)\(^{44}\). Carers of working age are less likely to be in employment than their peers (Evandrou and Winter 1993, Corti et al, 1994, Corti and Dex 1995, Dex 1999). Analysis of the 1995/6 GHS showed that one in eight (13 per cent) of people in Britain were caring for a sick, disabled or elderly person (Dex 1999). Both men and women are carers\(^{45}\) although the evidence indicates that women are more likely to be involved in heavy caring commitments (Arber and Ginn 1995, Dex 1999).

Analysis of the 1990/91 GHS by Arber and Ginn (1995) found that employment patterns for women carers differ according to whether they are co-resident carers or extra-resident carers. Co-residence tended to reduce full-time and part-time employment more. They also argued that there was little evidence that caring for under 20 hours a week reduced hours in paid employment. However, since 1990/91 the numbers of people caring for more than 20 hours per week has increased sharply, and in 1995, 1.9 million people were caring for 20 hours or more a week, around half of these for 50 hours or more (Dex 1999). A significant minority (41 per cent) of working age carers, who were caring for at least 20 hours per week were in employment, although male carers were more likely to work, and work full time, than were female carers (Dex. 1999).

Analysis of caring responsibilities and employment using the first wave (1991) of the BHPS was carried out by Corti et al, (1994) and Corti and Dex (1995). They found that many carers had left work or changed their employment patterns to fit around their caring responsibilities. When in paid employment, carers had significantly lower incomes than their non-caring peers (Corti and Dex, 1995). The Family Resources Survey 1998/99 shows that over one third of informal carers live in households where social security benefits are the main source of income (DSS 2000).

Evidence from SOLIF (Marsh et al, 2001, p206) shows that 28 per cent of women in non-working couples who did not expect to work in the future cited caring responsibilities as restricting their capacity to work.

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\(^{44}\) The 2001 Census had a question on caring responsibilities.

\(^{45}\) Children can also be carers of their sick and disabled parents. Research into ‘young carers’ shows that young people who care for their chronically sick or disabled parents over long periods of time risk future long-term employment problems through missed schooling and a lack of qualifications (see Becker et al 1998, Dearden and Becker 2000).
These were mainly co-resident carers and 79 per cent were caring for their partners. Ten per cent of non-working lone parents also reported additional caring responsibilities beyond themselves and their children, these were mainly for elderly parents.

### 7.5 Family-friendly employment practice

Family-friendly employment practices include a wide range of measures to facilitate the process of reconciling work and family life. Bevan et al (1999) define these as: ‘a set of formal or informal terms and conditions which exceed the statutory minimum and are designed to enable an employee to combine caring responsibilities with employment’. These might include flexible working arrangements (term-time working, part-time work, job-share and home-working); family leave arrangements (maternity leave, parental leave, paternity leave and career breaks); and childcare support (workplace crèches, subsidised childcare, financial help for care of elderly). They have tended to be seen in the context of facilitating women’s dual roles as carers and employees.

However, there is a growing recognition of the importance of extending the benefits from family-friendly working practices to men and women. Fathers in the UK are working the longest hours in Europe and spending the least time with their families (Ferri and Smith 1996, Forth et al, 1997). The increase in mothers’ employment has not resulted in a decrease of fathers’ work hours, which with the result that there is considerable pressure on working families in reconciling their work and caring responsibilities.

Attitudinal surveys give an insight into which practices parents consider the most important for their work life balance. La Valle et al (2000) asked working couple families and working lone mothers what kind of help would make it easier for them to work. At the top of the list for both was time off when a child is sick, followed by a preference for term-time working. Bryson et al (1998), in a survey of women’s attitudes towards combining employment and family life, asked mothers with children in three different age groups which three arrangements from a given list would be the most useful family-friendly working practices. Table 7.4 shows that flexi-time was considered to be by far the most useful measure for pre-school children, followed by being able to work from home and special paid leave for a sick child. Workplace nurseries and part-time working were also considered to be useful. Mothers of children aged six preferred term-time employment and flexi-time, fitting in their family care needs with the school day. Mothers of the oldest children also preferred flexi-time work followed by term-time contracts and paid time off to care for sick children.
Large-scale surveys of family-friendly work practices provide an insight into current employment practices. Key studies include a survey of employers and a postal survey of recent mothers and their partners carried out by the PSI (Callender et al, 1997, Forth et al, 1997); the 1998 Workplace Employee Relations Survey (Cully et al, 1999); and the Work-Life Balance Baseline Study (Hogarth et al, 2001). Forth et al, 1997 and Cully et al, 1999 found that public provision of family-friendly employment practices was at a higher level than private provision, although this improved with the size of the company and unionisation. Forth et al (1997) found that nine out of ten employers in 1996 provided at least one family-friendly working arrangement, the most common being flexi-time. To assess the extent of overall provision they used four categories of family-friendly initiatives – maternity benefits, paternity leave, childcare arrangements and non-standard working hours. Only five per cent of employers had voluntarily provided family-friendly working arrangements in all four categories; a similar percentage was found in the Workplace Employee Relations Survey (Cully et al, 1999).

Hogarth et al (2001) conducted a Work-Life Balance Baseline Study of employers and employees for the DfEE to assess the extent to which employers operated work-life balance practices, covering a representative survey of 2500 workplaces and 7500 employees. Key findings from the survey included:

- A high level of support for work-life balance from both employers and employees, but actual current practice was very mixed.
• More than a quarter of full-time employees worked long hours (49 or more hours a week).
• Other than part-time working there was little flexible working available, although 47 per cent of employees not using flexi-time would have liked to do so. The proportion of men wanting to work flexi-time exceeds women, and women were more likely to want term-time working or reduced hours.

Employers introduce family-friendly measures for a range of reasons. Bevan et al (1999) carried out case studies in 11 organisations which had adopted a range of family-friendly measures and found that these were often initially adopted as ‘somewhat random responses to a short-term problem’ (p xiii) usually for business reasons. These were then developed into formal policies. The main areas where they felt that they benefited were in reduced casual sickness, improved retention, improved productivity, improved attraction for recruitment, and improved morale and commitment. Lewis et al (2001) in interviews in 40 organisations found there were various reasons for the introduction of family-friendly measures and also highlighted three main barriers to their introduction: an absence of perceived need, concerns about the impact on productivity, and lack of scope for flexibility. They also found lots of use of discretion, and that line managers were often responsible for decisions in practice.

Evans, J (2001) compares family-friendly practices in Australia, Japan, the UK and the USA, and (on more limited measures) in the EU member states. In general, the most common sorts of provision are changes in working hours (flexi-time and/or part-time working). Rarely do employers in any of these countries offer childcare or extra family leave. The paper also explores the relationship between statutory requirements and extra-statutory arrangements for maternity leave and finds that these are least likely to be found in countries where such statutory provision is either high (e.g. the Nordic countries) or low (the UK).

For mothers returning to work after childbirth, family-friendly provisions are particularly important. Callender et al (1997) found that a high percentage of women had returned to work following childbirth (67 per cent). Seventy per cent of these had returned to the same jobs, and 30 per cent had changed jobs or employers (29 per cent said this was because their old jobs were not available). Other studies have found that women returning from maternity leave often return to part-time working only. Forth et al (1997) found that over half of mothers returning after childbirth had used flexi-time arrangements, which included reduced hours, and job sharing. Only 12 per cent of fathers had used this provision. Hogarth et al (2001) found that 70 per cent of full-time working women switched to part-time working on their return to work after childbirth, and given a choice 55 per cent of women said that they would prefer greater flexibility of working hours to a longer period of maternity leave.
7.6 Parental leave in Europe

In this final section, we focus on one aspect of reconciling work and family life: the role of statutory parental leave provision for mothers and/or fathers and paternity leave for fathers. We will draw on the experience of different countries in Europe for an insight into the different ways in which countries are trying to facilitate the balance of people’s work-life commitments. Useful sources of information about family-related initiatives and policies in Europe include the European Observatory of Family Policies, see Chapter 5), and the MISSOC (Mutual Information System on Social Protection in the European Union) database. Recent studies include Moss and Deven’s (1999) edited overview of parental leave policies in the EU and Norway.

While maternity leave is reserved for the mother, parental leave is available to one or both parents and is not just reserved for families with very young babies. Following the EU Directive on Parental Leave, which came into effect in June 1996, all member states in the EU have some kind of parental leave. However, they vary considerably across member states in terms of qualification, duration, flexibility, transferability, conditions and payment.

Table 7.5 shows the diversity of parental leave schemes operating in the European Union (Gauthier, 2000). In half of the countries leave is unpaid, and in the others a combination of means-tested and non-means-tested benefits is paid. There are large differences between countries in the duration of parental leaves. Some, such as Ireland and Greece, offer only three months while others, such as France and Germany, offer up to three years. Flexible leave allows families to take the time off when they need it and countries vary considerably in their provision. For example:

- In Germany the three years’ leave can be taken by either parent, but it has to be taken in one go and only one parent at a time can be on leave. In Sweden there are 450 days of paid leave that can be staggered, and can also be used to reduce working hours and fit around childcare. So parents can reduce their working hours to 30 a week, with a cut in pay, and use extra hours to fit in round childcare.
- In Norway paid leave can be taken using a time account scheme, whereby parents do not have to use all their leave benefit quotas in one leave period but can retain unused days and then use them within a three-year period.
Table 7.5 Parental Leave Schemes in the European Union, 1999

<table>
<thead>
<tr>
<th>Country</th>
<th>Duration (months)</th>
<th>Cash benefits (as % of wage)</th>
<th>Flexibility</th>
<th>Father’s Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>24*</td>
<td>31</td>
<td>——</td>
<td>Father entitled to 6 months non-transferable.</td>
</tr>
<tr>
<td>Belgium</td>
<td>3</td>
<td>37</td>
<td>Up to child’s fourth birthday.</td>
<td>Both parent entitled to a separate leave.</td>
</tr>
<tr>
<td>Denmark</td>
<td>12*</td>
<td>63</td>
<td>Up to child’s eighth birthday.</td>
<td>Father entitled to simultaneous leave.</td>
</tr>
<tr>
<td>Finland</td>
<td>36*</td>
<td>66</td>
<td>——</td>
<td>Father entitled to the same leave.</td>
</tr>
<tr>
<td>France</td>
<td>36*</td>
<td>39</td>
<td>——</td>
<td>Father entitled to leave (instead of mother).</td>
</tr>
<tr>
<td>Germany</td>
<td>36*</td>
<td>24</td>
<td>——</td>
<td>Father entitled to leave.</td>
</tr>
<tr>
<td>Greece</td>
<td>7</td>
<td>Unpaid</td>
<td>Up to child’s third and a half birthday.</td>
<td>Each entitled to non-transferable 3.5 months.</td>
</tr>
<tr>
<td>Ireland</td>
<td>3</td>
<td>Unpaid</td>
<td>Up to child’s fifth birthday.</td>
<td>Both parents entitled to leave.</td>
</tr>
<tr>
<td>Italy</td>
<td>6</td>
<td>30</td>
<td>Up to child’s ninth birthday.</td>
<td>May be taken by father or mother.</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>12</td>
<td>63</td>
<td>May not be taken in instalments.</td>
<td>Each entitled to non-transferable 6 months.</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6</td>
<td>Unpaid</td>
<td>Up to child’s eighth birthday.</td>
<td>Both parents entitled</td>
</tr>
<tr>
<td>Portugal</td>
<td>24</td>
<td>Unpaid</td>
<td>Up to child’s third birthday.</td>
<td>Father entitled to leave.</td>
</tr>
<tr>
<td>Spain</td>
<td>36*</td>
<td>Unpaid</td>
<td>——</td>
<td>Only one parent can make use of the benefit.</td>
</tr>
<tr>
<td>Sweden</td>
<td>15</td>
<td>Paid</td>
<td>Up to child’s eighth birthday.</td>
<td>Each parent entitled to leave.</td>
</tr>
<tr>
<td>UK</td>
<td>6</td>
<td>Unpaid</td>
<td>Up to child’s fifth birthday.</td>
<td>Each parent is entitled to 3 months leave.</td>
</tr>
</tbody>
</table>

1 Duration marked by * are cases for which the duration includes the post-childbirth period covered by the maternity leave.
2 In some countries, the benefits are paid as flat-rate benefits. They were converted into a percentage using data on the female average wages in manufacturing (from the ILO Yearbook of Labor Statistics). When the wages for 1998 were not available, they were estimated using the latest data available and data on the consumer price index. The flat-rate benefits, in national currency, were as follows (in 1998): Austria: 18.50 ATS/day; Belgium: 20,000 FB/month; Denmark: 70 per cent of unemployment benefit; France: 460 ECU/month (for full-time leave); Germany: 600 DM/month; Luxembourg: 60,000 LF/month (only paid to one parent).
3 Flexibility: In some countries, the parental leave has to be taken immediately following the period covered by the paid maternity leave. The information that appears in this column corresponds to cases for which the leave may be taken at any time during a longer and more flexible period.
4 France: The parental leave benefits (allocation parentale d’éducation, APE) are paid to parents with at least 2 children, including at least one under the age of 3.
5 Italy: There are plans to extend this leave to 10 months.
6 Luxembourg: The cash benefits correspond to more than 100 per cent of the average earnings of wage earners in manufacturing but 63 per cent of the average earnings of salaried employees in manufacturing.

Source: Gauthier (2000, Table 4).

7.6.1 Paternity leave

Family-friendly employment practices can act to reinforce gender divisions of care insofar as women are more likely than men to take advantage of provision (Moss and Deven, 1999; Bruning and Plantenga, 1999). This is likely to be the case where parental leave is unpaid, or paid at a flat rate. Take-up of parental leave by fathers can be low. In Germany 96 per cent of women take up parental leave but only two per cent of men do so. In Sweden about 50 per cent of fathers take some parental leave but they only take 10 per cent of all the leave taken – women take the other 90 per cent.
In Norway there has been a dramatic increase in the take-up of parental leave by men - from under five per cent to over 70 per cent - as a result of the ‘daddy quota’ scheme, introduced in 1993. The ‘daddy quota’ gives fathers four weeks paid leave which is reserved exclusively for them and which is not transferable to mothers. The background to the legislation was twofold: to promote gender equality in the workplace and to promote fathers’ caring role. Reserving the leave period for fathers only was crucial in improving take-up, not least because it made it more difficult for employers to refuse (Leira, 1998; 2000).

The diversity of provision across Europe gives an indication of the different ways in which countries are balancing work and family life, and engaging with the challenges presented by the growth of dual-earner families. Moss and Deven (1999) suggest six areas where better information and more research are called for. These include: improved statistical information about parental leave take up and use; greater understanding of how and why mothers and fathers make their decisions about leave; the impact of leave taking in both the short and the long term for parents, children, families and employers, and the effects of family diversity on leave.

7.7 Summary  There has been a considerable increase in the numbers of parents using childcare in recent years. Many factors appear to influence the use of childcare, including employment status, income and children’s age. Despite the growth in formal childcare provision, the majority of parents still prefer informal childcare arrangements to formal ones. However, informal childcare is not without costs, and many low-income families are paying for informal care without the benefit of the childcare credit in Working Families’ Tax Credit. Parents’ attitudes to childcare are highly complex and concern not only socio-economic factors but also attitudes towards parenting and motherhood. Those caring for disabled and elderly family members are severely affected in their capacity to work and their incomes both in and out of work are reduced, especially when caring for more than 20 hours a week. Flexible employment and family-friendly working arrangements are important factors in parents’ and carers’ capacity to reconcile their work and caring responsibilities. However, the evidence suggests that, in general, there is still little employment flexibility available.
Much of research into unemployment and benefit receipt in the 1970s and 1980s focused on whether benefits for unemployed people created financial disincentives to work. This showed that such financial disincentive effects did seem to exist but were not large, and had a greater impact on women than on men (Dilnot and Walker, 1989; Gregg et al., 1999b). In the 1990s, however, research became increasingly focused on putting these financial incentives into a wider context and considering all the factors that might influence labour supply (Bryson and McKay, 1994). The concepts of ‘barriers’ and ‘bridges’ to work has become central to this approach, and in this and the next chapter we summarise the key findings, in this chapter in respect of the barriers that make it difficult for people to get into work and in the next in respect of the policy measures that help people obtain and sustain employment.

8.1 Barriers to work - the general picture

Gardiner (1997) constructed a typology of potential barriers that relate to different ‘stages’ in moving into work (see also Bennett and Walker, 1998). These stages include being economically inactive, the desire to have a job, the search for a job, and securing employment. At each stage, there are various things that might impede a move into the next stage. Her typology is shown in Figure 8.1. The idea that people move through stages that bring them progressively closer to the labour market, and that at each stage they overcome various barriers before they can move into the next is likely to be a rather simplistic view of what actually happens in practice. But this list is useful in highlighting the number and range of possible work barriers - both individual and structural - that people might face. These barriers include human capital characteristics (educational qualifications, work experience, etc), attitudinal factors (values, motivation, etc), labour demand (lack of suitable jobs, employer prejudice, etc), services in work (childcare, etc), benefits and employment services (benefits levels, lack of flexibility, lack of training, etc), information failures (lack of knowledge about job opportunities, about benefits rules etc), and uncertainty (about income, about jobs, etc).
Figure 8.1 Potential barriers to securing employment

<table>
<thead>
<tr>
<th>Economically inactive</th>
<th>Benefits system and employment services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td><strong>Benefits system and employment services</strong></td>
</tr>
<tr>
<td>a) Lack of educational qualifications</td>
<td>a) Benefit levels are too high</td>
</tr>
<tr>
<td>b) Lack of work experience</td>
<td>b) Benefits levels are too low</td>
</tr>
<tr>
<td>c) Lack of basic skills</td>
<td>c) Difficulties and delays in payment of benefits</td>
</tr>
<tr>
<td>d) Lack of practical skills/access to facilities</td>
<td>d) Disincentives for couples</td>
</tr>
<tr>
<td>e) Long term sickness/disability</td>
<td>e) Disincentives to work while on benefits</td>
</tr>
<tr>
<td>f) Caring responsibilities</td>
<td>f) Treatment of housing costs</td>
</tr>
<tr>
<td>g) High living costs</td>
<td>g) Loss of passported benefits</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Desire for a job</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual attachment to the labour market</strong></td>
</tr>
<tr>
<td>a) Cultural/social values that restrict job search</td>
</tr>
<tr>
<td>b) Lack of flexibility about work one would consider</td>
</tr>
<tr>
<td>c) Lack of motivation</td>
</tr>
<tr>
<td>d) Unrealistic reservation wages</td>
</tr>
<tr>
<td>e) Insufficient job search</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job search</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job markets and employers</strong></td>
</tr>
<tr>
<td>a) Lack of jobs at national or local level</td>
</tr>
<tr>
<td>b) Lack of suitable kinds of work</td>
</tr>
<tr>
<td>c) Lack of jobs with adequate wages</td>
</tr>
<tr>
<td>d) Prejudice of employers</td>
</tr>
<tr>
<td>e) Employment conditions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securing employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Childcare</td>
</tr>
<tr>
<td>b) Travel, clothing and tools</td>
</tr>
</tbody>
</table>

Source: Gardiner, 1997, p8
The list in Figure 8.1 does not indicate anything about the relative importance of these factors, nor about whether they apply more to some groups of unemployed or non-working people than to others. However, the extensive research evaluating the New Deal programmes has explored the nature and relative importance of the barriers to work faced by the various target groups. Millar (2000, p.v) sums up the New Deal evaluation evidence on barriers to work and how these vary for different groups:

For all groups the main barriers to work centred around lack of skills and work experience, low or inappropriate job search, psychological factors (including lack of self-confidence and lack of realistic goals), the level and type of job opportunities available in the local labour market, and employer attitudes.

But different emphases were found for different groups. For young people the key barriers were lack of skills and work experience, ineffective job search, low pay, and access to and costs of transport. For the long-term unemployed the key barriers were a mismatch between their skills and what was required, outdated skills, and lack of transport. For disabled people the key barriers were special needs associated with their disabilities and employer attitudes. For lone parents, childcare and money issues were paramount. For partners, it was also childcare and a concern about role reversal. Each group included people with multiple barriers and special needs.

Each of the New Deal target groups includes families with children but to varying degrees, ranging from all (in the New Deal for Lone Parents) to almost none (in the New Deal for Over 50s and the New Deal for Young People). So we need to try and identify how this general picture applies to the specific circumstances of parents.

8.2 Barriers to work - lone parents

As we have seen in Chapter 3, about four in ten lone parents were employed in the late 1990s. Among those not currently working, there is a range of different orientations to work. In 1998 these were:

- four in ten lone parents were working for at least 16 hours per week;
- two in ten were ready for work, one was seeking work and half of the others were already in part-time jobs;
- three in ten said they would look for work in the future but not immediately;
- one in ten thinks they will never look for work (Finlayson et al, 1999).

Lone parents in the latter group tend to be older, have less work experience and are more likely to have health problems (see also Hales et al, 2000a). Thus in analysing barriers to work or constraints upon work it is necessary to consider both why some lone parents do not want immediate work, and the nature and type of problems faced by those who want to work/are looking for work.
There are two main ways in which research has sought to identify the factors that facilitate or impede employment for lone parents. The first is to compare the socio-economic characteristics of employed and non-employed lone parents, either at one point in time or by following the same individuals from non-employment to work. The aim is to identify those characteristics that are associated with a higher probability of being employed. The second approach is to ask lone parents about the problems that they have in finding work and the barriers that they feel are most difficult to overcome. This can be prospective, asking non-employed lone parents to identify barriers, or retrospective, asking lone parents who have taken up employment what problems they have faced in making the transition into work. There is an extensive literature on both of these. The PRILIF series has now followed lone parents for seven years and we explored some of that evidence on movements in and out of work in Chapter 3. In addition there have been several studies evaluating the New Deal for Lone Parents and other recent policy initiatives (see Appendix B) and various other studies that have explored issues relating to lone parents, benefits and work (e.g. Bradshaw and Millar, 1991; Noble et al, 1998; Payne and Range, 1998; Evason et al, 1999). There is also an extensive cross-national literature discussed in Chapter 5.

The research gives a very complete and generally consistent picture. Bradshaw and Millar (1991) compared lone mothers working for more than 24 hours per week with those not working or working for less than 24 hours and found a higher probability of full-time employment was associated with:

‘not having young children, especially under 5s; not having three or more children; higher predicted wage rates; child care availability; being ex-married rather than single; living in owner-occupied housing; and having higher housing benefit entitlement’ (p40)

Similarly, Holtermann et al (1999, p54) summarise findings from various studies comparing employed and non-employed lone parents. These (usually multivariate analyses) find a negative association between employment and age of youngest child, having three or more children, and lacking educational qualifications; and a positive association with being an owner-occupier and having higher educational qualifications. Similar factors - especially age of youngest child, tenure - are found in analyses of movements from non-employment into work (Ford et al, 1998, Finlayson et al, 1999) and movements off Income Support (Shaw et al, 1996; Noble et al, 1998).

The PRILIF database also shows employment to be associated with receipt of maintenance, relative lack of hardship out of work, access to in-work benefits, and attitudes to work and family responsibilities. Finlayson and Marsh (1998, p194) sum up the findings from these studies:
Combinations of seven key variables - housing tenure, prior marital status, experience of benefits, education and training, family composition, receipt of maintenance payments and family health - can together statistically explain large fractions of the variance in lone parents’ chances of getting and keeping paid work. Typically, poorly educated and occupationally inexperienced lone parents, who are social tenants, who have young children and who cope with persistent ill-health will participate little in the labour market. In contrast, well-educated lone parents who are owner-occupiers and who have older children, participate a great deal in paid work…’

Asking non-employed lone parents about why they are not seeking work and asking employed lone mothers about the problems they have encountered in taking up work produces a not dissimilar list of factors. Table 8.1 summarises data from three surveys asking non-employed lone parents who are not seeking work to give reasons why they are not seeking work/do not want a job. There are differences in the samples and in the way the questions were asked (but note that in each case the lone parents were choosing from a checklist and so their answers were to some extent pre-determined). In each study, reasons to do with caring for children are the largest single factor, mentioned by around one third. Childcare, health and financial factors all appear as important, but their relative importance varies. The SOLIF data, in which lone parents were asked to identify all factors and not just the main factor, shows both childcare and ill-health as more important than the other two studies. Ill-health was also the most common reason given by lone parents who thought they would never work, with around half giving this reason in both the SOLIF and New Deal studies (not shown in table, which focuses on those who want to work in the future).

Table 8.1 Non-working lone parents: reasons (survey data)

<table>
<thead>
<tr>
<th>Reasons for not wanting work or to increase hours</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children are too young</td>
<td>32</td>
</tr>
<tr>
<td>Prefer to care for children</td>
<td>20</td>
</tr>
<tr>
<td>Because of benefit loss</td>
<td>14</td>
</tr>
<tr>
<td>No suitable child care</td>
<td>10</td>
</tr>
<tr>
<td>Jobs do not pay enough</td>
<td>4</td>
</tr>
<tr>
<td>Ill-health</td>
<td>3</td>
</tr>
<tr>
<td>Other/DK</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reasons for not wanting a regular paid job</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Looking after children/home</td>
<td>36</td>
</tr>
<tr>
<td>Don’t want to leave children with anyone else</td>
<td>13</td>
</tr>
<tr>
<td>Long-term sickness/incapacity</td>
<td>12</td>
</tr>
<tr>
<td>Studying</td>
<td>8</td>
</tr>
<tr>
<td>Temporary sickness</td>
<td>5</td>
</tr>
<tr>
<td>Would be worse off in work</td>
<td>4</td>
</tr>
<tr>
<td>Can’t afford childcare</td>
<td>3</td>
</tr>
</tbody>
</table>

Continued
Table 8.1  Continued

<table>
<thead>
<tr>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone parents not working for 16 hours plus and who expect to look for work sometime in future; anything stopping you looking for work of 16 hours plus, all reasons</td>
</tr>
<tr>
<td>Don't want to spend time away from children</td>
</tr>
<tr>
<td>Cannot afford childcare</td>
</tr>
<tr>
<td>No childcare available</td>
</tr>
<tr>
<td>Own Illness/disability</td>
</tr>
<tr>
<td>Child illness/disability</td>
</tr>
<tr>
<td>Other family illness</td>
</tr>
<tr>
<td>Better off not working</td>
</tr>
<tr>
<td>Studying/training</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

1 Bradshaw and Millar, 1991, table 4.18, excluding those who want to work now
2 Hales et al, 2000a, table 4.3.6
3 Marsh et al, 2001, table 8.6

8.2.2  Evidence from in-depth studies with lone parents

Evidence from qualitative studies, based on in-depth interviews with lone parents - usually lone mothers - raises the same sorts of points as above but also highlights some additional factors. Three recent studies are summarised in Table 8.2, which shows the value of employment for income but also for other reasons such as independence and social contacts. The barriers to work are seen as including caring responsibilities, financial matters, health and lack of work skills. Lack of confidence, lack of work experience and of experience in seeking work, transport, lack of job opportunities, and fears of employer prejudice also appear.

Table 8.2  Reasons to work and barriers to work: lone mothers (qualitative data)

<table>
<thead>
<tr>
<th>Finch et al 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons to work - financial, route out of isolation, dignity, and independence</td>
</tr>
<tr>
<td>Barriers to work - motivations and preferences; financial concerns; lack of skills/qualifications/ experience; job opportunities and employer attitudes;</td>
</tr>
<tr>
<td>Lack of self confidence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lewis et al, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons to work - financial, independent of benefits, route out of boredom of being at home, to gain self-esteem, role model for children.</td>
</tr>
<tr>
<td>Barriers to work - caring responsibilities and childcare; financial implications of working; lack of skills, qualifications and work experience; job opportunities and employer attitudes; other personal issues such as health problems, lack of confidence and low self-esteem, homelessness, harassment, debt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dawson et al, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons to work - income, social contacts, fulfilment, better future for themselves and their children</td>
</tr>
<tr>
<td>Barriers to work - childcare, restricted hours of availability, lack of qualifications and experience, not enough jobs or jobs of poor quality, mobility, employer prejudice, health, ethnicity, mood and outlook.</td>
</tr>
</tbody>
</table>
8.2.3 Financial issues

Financial factors appear very strongly in these in-depth studies, with concerns focusing both on the potential problems of making the transition into work and on whether they will be able to manage financially in work. As Finch et al (1999, p58) note:

‘Financial concerns were a central barrier … They related to the viability of work and the risk involved in moving from benefit to work. - ‘It’s not feasible’ being a recurrent theme. … the option of work was precluded by the likelihood of low earning potential combined both with the need to pay for childcare and the loss of passported benefits. In cases where there are high outgoings, such as mortgage payments, high rent or debt, there were especial problems’.

8.2.4 Paying for housing

One particular cost which in-depth studies have highlighted is that of paying for housing in work (Ford et al, 1995; SSAC, 1995). This applies to both couples and lone parents and confirms evidence from survey data (including the PROLIF studies) that shows that people are often confused by the Housing Benefit system and that this creates a barrier to work. Ford et al (op cit) found that, while owner-occupiers with mortgages knew they would have to meet housing costs in full when in employment, many tenants also assumed this would also be the case for them, and were concerned about how they would be able to do this. Others who knew they might receive some Housing Benefit were nevertheless also concerned that they would have to meet some portion of their housing costs themselves and about delays in being assessed and receiving payment. In addition, the interaction between different in-work benefits can create a perception that Housing Benefit is ‘lost’ when other benefits are received. Wheatley (2001), using evidence from Citizen’s Advice Bureaux clients, reports that families claiming the Working Families’ Tax Credit also faced these same sorts of problems.

8.2.5 Morale, self confidence and hardship

Issues of low morale, lack of self-confidence and low self-esteem seem to appear more strongly from the in-depth interviews than is usually picked up in survey data. However, Finlayson et al (2000) found a very clear association between severe hardship and low morale (see also Finlayson and Marsh, 1998). Those in severe hardship were four times more likely to have low morale than those not in hardship. The link between hardship and low morale is also found in the SOLIF data and Marsh et al (2001, p352) conclude that, ‘the experience of hardship over long periods of time can itself erect barriers to work. It lowers families’ morale and self-confidence and makes it harder to contemplate the demands of working and bringing up young children’. There may also be selection and self-reinforcing effects in this, with lone parents with less hardship and better morale moving more quickly into work, leaving those in severe hardship to form a high proportion of the long-term non-employed and also to become more ‘discouraged’ from seeking work.
Another of the barriers that lone parents often mention in these qualitative interviews is that they think that employers are either unsympathetic to their situation or that employers are prejudiced against them. In their study specifically of employers’ attitudes to lone parents, Lewis et al (2001) found that employers did not generally perceive lone parents as a distinctive group with special problems. But they did feel that lone parents might have limited availability for work, limited flexibility at work, and need more time off than other workers. Some expressed the view that their obligation as employers was to meet these challenges, while others did see these as a barrier to employing lone parents. 46

Mobility - transport to work and also to childcare facilities - is also mentioned by some lone mothers as a barrier to work. However there is very little information available about the transport uses and needs of employed and non-employed lone mothers (or indeed women in general, Beuret, 1991). In the evaluation of the prototype New Deal for Lone Parents, Hales et al (2000a) compared lone parents working 16 hours plus with lone parents receiving Income Support and found the former were more likely to have a driving licence (62 per cent compared with 44 per cent) and access to a car (of those with licences 85 per cent and 72 per cent respectively), but both groups were just as likely to say they had good public transport (68 per cent and 70 per cent).

Thus the range and type of work barriers perceived by lone parents can be identified from these studies. But understanding the relative importance of these, how they interact with each other, and how they apply to different types of lone parents is more complex. These sorts of questions require a more theory-based approach and the concept of identity has been seen as central to understanding these relationships. Lone mothers’ views about employment are, it has been argued, closely connected to the ways in which they think about motherhood and their obligations and responsibilities as mothers, and more specifically as lone mothers. These responsibilities as mothers in providing care for children are seen as relevant to all children, not just young children. Lone mothers often raise concerns that their children might suffer if they go out to work. This may be related to the circumstances of the marital/relationship breakdown. Those who have recently separated or who separated in traumatic ways (involving violence for example)47 may feel that they need to devote more time to their children (Brown, 1989; Bradshaw and Millar, 1991; Leeming et al, 1994; Finch and Gloyer, 2000). But even without these sorts of circumstances there are often ambivalent attitudes towards working and whether this is, or is not, in the best interests of children.

46 We examine labour demand below (section 8.4.1) and the nature and extent of ‘family-friendly’ employment practices in Chapter 7.

47 Marsh et al (2001) found that 35 per cent of lone parents reported that they had experienced physical violence from their partner in the last year of their relationship.
8.2.9 Attitudes to the use of childcare

Using childcare means substituting other care for parental care and, as discussed in Chapter 7, lone mothers hold quite complex and sometimes ambivalent attitudes towards the use of childcare. LaValle at al (2000) asked employed mothers about the childcare arrangements that helped them to work. Most pointed to more than one factor, indicating the need for flexible and varied childcare arrangements, but when asked for the main factor it was ‘good quality childcare’ for lone mothers and married mothers (both 24 per cent). Lone mothers put ‘free/cheap childcare’ second, while married mothers placed having their ‘children at school’ second (22 per cent). Ford’s (1996) in-depth interviews with lone mothers also highlighted concerns about quality. The lone mothers had strong preferences about who cared for their children and in order to take up work, they had to be able to convince themselves that it was right to separate themselves from their children for substantial periods of time, to place their children in someone else’s care, and to spend time in work rather than at home. Thus:

‘Not all lone mothers feel that using childcare is compatible with their perceptions of what is best for themselves and their children. Yet this is a prerequisite of entering work with hours that overlap with time the mother would otherwise spent caring. In other words, in using childcare [a lone mother] should not feel she is reneging on her caring role, or at least she should feel that her work is providing something else of equal value to the child, such as a better standard of living or simply a happier mother.’

(Ford, 1996, p 200)

These sorts of attitudes may explain the preference for informal care (which is seen as the closest substitution for parental care) and/or for work that enables the parent to continue to provide most of the care. But Ford also found that there was limited knowledge about the nature, availability and costs of formal care. Few people had had the opportunity to try out childcare arrangements in advance of working, although this was something that people often wanted to be able to do. Lewis et al (2000) similarly identify three sorts of approaches to the childcare issue – some lone mothers wanted to care for their children themselves, some were only prepared to use informal care, and others would use formal care but had difficulties in finding or affording it.

8.2.10 Mothers and/or workers?

Thus identity as a ‘mother’ seems to be very important in how lone parents think about both jobs and childcare; but there is no single ‘motherhood’ model that all lone mothers share. Duncan and Edwards (1999) have developed the concept of ‘gendered moral rationalities’ to explain lone mothers’ attitudes to employment and to mothering. It is, they argue, moral values about motherhood rather than economic calculations about the costs and benefits of working that underpin different orientations to employment. Thus some lone mothers see themselves as ‘primarily mothers’, others as ‘primarily workers’ and others as ‘mother/workers integral’. They argue social class, race and locality particularly
influence these identities, and that they determine how lone parents will respond to opportunities to work and to policies intended to encourage work.

The concept of ‘barriers’ seems rather unhelpful in this light, and it might be more helpful to think of identity as a mother as forming part of the context in which people frame their orientation to the labour market. Nor should giving priority to the care of children be conceived of as a sort of a ‘stage’ in the process of moving towards paid work which, once over, frees people to seek employment. Caring for children is always part of the equation. Nevertheless views about the ‘right’ balance between paid work and care must change for individuals over time, as Ford’s (1996) work discussed above shows. Children growing older and becoming more self-reliant are part of this, but others factors are also involved. Marsh (2001, p 29) discusses how these issues of childcare, motherhood and identity work out over time and summarises the key points as:

Following [lone parents in the 1991 PRLIF study] in their journey from Income Support into work, it seemed clear that arranging childcare was the last hurdle in a long row of hurdles. They seemed to seek work that fitted their own view of their childcare needs - that is, the arrangements for care that best fitted what they wanted for themselves and their children - rather than try to find childcare that suited a particular job. High on their list of childcare needs was the opportunity to spend as much of their own time with their children as possible.

Lone parents’ passage into work is a journey marked by a number of changes in attitude and self-definition, and by a resumption of control over their personal circumstances.

Marsh (2001, p20) also suggests that, ‘the decision to go to work, when it comes, seems to come so suddenly. They [lone parents] seem to ‘flip’ between identities’. What helps lone parents effect this shift, overcome the barriers they face, and make that journey more quickly and more securely is explored in the next chapter when we examine the success or otherwise of policies to help lone parents into work and to improve the financial returns from working.

8.2.11 Barriers: real or exaggerated?

We should note, however, that perceptions of work barriers might be more or less accurate in the sense that some may arise from misconceptions about, for example, the operation of in-work benefits or the real costs of childcare. Non-working lone parents may also be more anxious about the consequences of taking work than those who have made the move into work. Hales et al (2000a) looked at the type of problems that lone parents who had left Income Support said that they had encountered. In general there were fewer problems than people had anticipated that there would be, and about one-fifth said that there were none. Otherwise the
main problems identified were financial - paying for general living expenses (44 per cent), paying the rent (36 per cent), money problems while waiting for wages (34 per cent), waiting for housing benefit (34 per cent), waiting for Family Credit (26 per cent), paying back debts (26 per cent). Childcare problems were mentioned by 18 per cent. It is perhaps not surprising that financial factors were most commonly mentioned since many of those who entered work had low wages, with median wages at £4.00 per hour. Finlayson et al (2000) also asked lone parents who had returned to work by 1998 about the problems they had faced. The majority said they had faced none (68 per cent). Among those with difficulties the most common single problem was finding a job with hours to suit the family. Backett-Milburn et al (2001) used in-depth interviews to examine how lone and married mothers experience combining paid work and parenting, and reported that many of those interviewed found managing the two both onerous and tiring.

So far we have focused on the movement from non-employment to work. But other movements are also of interest. For example, are the barriers to taking up training or further education the same as the barriers to taking up paid work? Higher educational qualifications and training are associated with higher levels of employment participation and with higher wages in work (Bryson et al, 1997). But in general there is little information available about access to education and training. Marsh et al (2001) found that 33 per cent of non-working lone parents had neither vocational nor academic qualifications but also that 72 per cent said that they would not ‘consider another training course’. However, this could be because they feel training would not be helpful rather than because they do not want to take it up. Lone parents participating in the New Deal sometimes felt that they needed more guidance on training not least because they were uncertain about what vocational directions that could or should take, although others were not interested in training because they wanted to get straight into work (Lewis et al, 2000). Land et al (2000), in their study of mothers who had received grants from the Elizabeth Nuffield Educational Fund, found that both lone and married mothers found the costs of childcare a ‘formidable’ barrier to accessing education. Callender and Kempson (1996) found that lone mothers in higher education had much lower incomes than partnered students with children and were paying more for their child care; and many had very large debts and arrears for household bills and utilities (see also Callender and Kemp, 2000).

Also of interest is the movement from part-time to full-time work (or from few to more hours of work). But there is only limited information about this transition and in many of the comparisons of working and non-working lone parents those receiving Income Support and working for just a few hours per week are treated as part of the non-working, rather than the working, group. As discussed in Chapter 3, Iacovou and Berthoud (2000) found part-time work increased the likelihood of full-
time work for lone (and married) mothers. Ashworth and Youngs (2000) found that lone parents receiving Jobseeker’s Allowance were more likely to work part-time than those receiving Income Support (17 per cent of lone mothers compared with seven per cent) and about half (55 per cent) of those working were earning less than the disregard. Elam and Thomas (1997) explored attitudes to part-time work among current and former benefit recipients, including lone parents. They found that the decision to work part-time depended on whether such work as seen as worthwhile, and on whether people could overcome the barriers to part-time work (this study is discussed in more detail below when we consider barriers to work for couples).

There is rather less information available about barriers to work for low-income couples than about lone parents. The series of studies of unemployed claimants before and after the introduction of Jobseeker’s Allowance (Bottomley et al., 1997; McKay et al., 1997; Trickey et al., 1998; McKay et al., 1999) include families with children but do not always provide detailed breakdown of the data by family type. McKay et al. (op cit, 1997 and 1999) include separate analyses of the situations of the ‘partners’ of unemployed people. This group is also covered in the New Deal evaluations (Stone et al., 2000; Griffiths and Thomas, 2001a/b), although as noted above the other New Deal programmes include only a small proportion of families with children. The first PRILIF sample included low-income couples as well as lone parents (Marsh and McKay, 1993) and Bryson and Marsh (1996) also included low-income couples in their sample of families leaving Family Credit. The SOLIF study includes low-income couples with children (Marsh et al., 2001) as does Lavacou and Berthoud’s (2000) BHPS analysis, and Dorsett’s (2001) analysis of Labour Force Survey data on workless couples. There is also qualitative data available from McLaughlin et al. (1989) and Millar et al. (1989); (Dean and Taylor-Gooby (1992), Kempson et al. (1994) and Elam and Thomas (1997), Snape et al. (1999), and Dean (2001, 2002 forthcoming).

For all claimants in general (i.e. not just those with children) the factors associated with faster exits from unemployment include age (older people have longer spells), ethnicity (non-white people have longer spells), previous work experience, qualifications, having a driving licence and a telephone, housing tenure (owner-occupiers exit faster than social tenants), and region (Shaw et al., 1996; McKay et al., 1997; Trickey et al., 1998). Trickey et al. (ibid), following a cohort of unemployed people two years after they first registered, found that the most important factors predicting exit from unemployment were: previous experience of unemployment and status immediately before becoming unemployed; whether a job was found quickly (the risks of staying unemployed did not increase with longer durations but the ‘best chance’ of finding work was in the first few weeks); human capital resources (particularly qualifications and health status); socio-demographic factors (single men had the longer unemployment durations, respondents from ethnic minorities also had

8.3 Barriers to work - low-income couples with children
long durations); and deprivation (living in social rented housing, not having a car or a telephone all slowed down the return to work). All this is not dissimilar to the factors associated with employment/non-employment for lone parents, but with one important exception - the presence of children is not a significant factor for unemployed men.

Indeed men with children tend to have shorter unemployment durations than men without children and, as Marsh et al (2001) point out, long-term unemployment is relatively uncommon among families with children (especially in the past two to three years); so workless families are very likely to have additional labour market disadvantages. In fact, about half of the non-working couples in the SOLIF data set were receiving disability-related benefits, and Dorsett (2001) also found that about half of the men in workless couples in the LFS were ‘inactive’ due to ill-health.

Here we focus less on the individual characteristics of workless couples with children and more on their joint situation, looking at job search, at issues of identity and attitudes, at financial barriers to work, and at constraints upon part-time working. The focus here is on barriers facing workless families going into work (we discuss the transition from one to two earners in Chapter 9).

**8.3.1 Workless couples: job seeking**

Table 8.3 shows whether non-working couples in the SOLIF sample were looking for work. About one in ten of the respondents (99 per cent of whom were women) were currently seeking work, but 37 per cent said either they did not know when they would look or that they would never look. About a third (34 per cent) of the partners (i.e. the men) said that they were looking for work. But they were also very likely to say they did not know when they would look, or that they thought they would never look. Taking the couples together, 38 per cent had at least one person looking for work and 25 per cent included no one who was contemplating work in the near future. The table also shows the figures for lone parents for comparison and this shows that the workless couples seem to have been more disengaged from the labour market than the lone parents. Although the lone parents were less likely to be currently looking for work, fewer (14 per cent) said that they did not know when they would look for work or that they thought they would never do so.
Table 8.3  Employment intentions, low-income families not in full-time work, 1999

<table>
<thead>
<tr>
<th></th>
<th>Respondent</th>
<th>Partner</th>
<th>Both</th>
<th>Lone parents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Currently looking for work</td>
<td>11</td>
<td>34</td>
<td>38</td>
<td>17</td>
</tr>
<tr>
<td>Not looking and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working less than 16 hours</td>
<td>5</td>
<td>4</td>
<td>} 7</td>
<td></td>
</tr>
<tr>
<td>Expects to look in next few weeks/months</td>
<td>4</td>
<td>5</td>
<td>} 9</td>
<td></td>
</tr>
<tr>
<td>Expects to look sometime in future</td>
<td>43</td>
<td>16</td>
<td>} 37</td>
<td>52</td>
</tr>
<tr>
<td>Does not know when will look</td>
<td>13</td>
<td>17</td>
<td>} 7</td>
<td></td>
</tr>
<tr>
<td>Does not expect to look for work in future</td>
<td>24</td>
<td>24</td>
<td>} 25</td>
<td>7</td>
</tr>
</tbody>
</table>

1 Usually the female partner.
2 Three categories respondent and/or partner looking; neither looking but at least one expects to look in future; neither expects or do not know when they will look.

Respondents who were not looking for work tended to be older and were most likely to describe themselves as ‘looking after the home/family’ (73 per cent). They had little recent work experience (again less than the lone mothers in the sample). Partners not looking for work were also older and most commonly described themselves as ‘sick/disabled’ for six months plus (56 per cent) or retired (10 per cent). Table 8.4 (which is equivalent to the lower section of Table 8.2 on lone parents) show that there were significant differences in the reasons given by women (spending time with children, childcare cost and availability, caring for others in the family with illness, own illness) and by men (who rarely gave reasons to do with children but often gave health related reasons).

Table 8.4  Non-working couples: reasons, 1999

<table>
<thead>
<tr>
<th></th>
<th>Respondent</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Couples not working for 16 hours plus and not looking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t want to spend time away from children</td>
<td>28</td>
<td>3</td>
</tr>
<tr>
<td>Cannot afford childcare</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>No childcare available</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Own illness/disability</td>
<td>24</td>
<td>66</td>
</tr>
<tr>
<td>Child illness/disability</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Other family illness</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>Better off not working</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Studying/training</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

As the authors note (p211) ‘the incidence of ill-health and disability among non-working partners in this survey was astonishingly high, as was the level of caring responsibilities reported by respondents’. As noted above, half were receiving disability-related benefits and so this sample is not directly comparable to samples of unemployed claimants. The latter generally find higher levels of job search than in the SOLIF sample, but they do also find that ill-health is the most common reason given by men for not seeking work (Bottomley et al, 1997, McKay et al, 1999). Ill health is also an issue for those who are seeking work and may restrict the employment opportunities available to them.

In general unemployed people seem to be fairly flexible in the types of jobs they are seeking. For example, Bottomley et al (1997) found that most of their jobseeking respondents were willing to accept temporary jobs; most preferred full-time jobs but many said they would accept part-time jobs; most were willing to work shifts, weekends, and nights. However, their partners were rather less flexible about what they thought the jobseekers should accept and particularly in respect of ‘more disruptive types of work’. So, for example, 51 per cent of jobseekers said they would consider working away from home but only 28 per cent of partners agreed with this, 83 per cent of jobseekers said they would work weekends but 71 per cent of partners agreed this would be acceptable. There was somewhat less willingness among both jobseekers and their partners to move for jobs (53 per cent and 46 per cent agreeing). Partners also provided help with jobseeking, especially partners working part-time or those not working. The type of help offered was usually practical - looking for vacancies and helping with application forms.

This evidence suggests that it is helpful to consider jobseeking not just as an individual activity but as something that partners are also involved in, both in respect of the types of jobs considered acceptable and in the actual jobsearch activities. However, it would be helpful to have more information which specifically focused on those with children - all the above includes childless couples.

8.3.2 Attitudes and identity - breadwinners and carers?

Issues of identity are also part of the picture for couples, as they are for lone parents. As shown above, there are clear gender differences both in whether people were looking for work (men being much more likely to be seeking work than women) and in the reasons they give for not seeking work (ill-health for men and care responsibilities for women). This is also apparent in other studies (e.g. Shaw et al, 1996; McKay et al, 1997; 1999). The most common job search strategy among the couples (including childless couples) in the pre-Jobseeker’s Allowance sample (McKay et al, 1999) was for one person to be looking for full-time work and the other not to be seeking work (58 per cent of the job-seeking couples). This is also the most common destination for workless families when they do change employment status (Dorsett, 2001). About a fifth (19 per cent) of those seeking work said that they were both seeking, and
for these families the most common pattern was for the men to be looking for full-time work and the women to be looking for part-time work. This mirrors the most common pattern of work found among couples with children (see Chapter 3).

Qualitative research has tried to explore the extent to which gendered attitudes might act as a barrier to work. McLaughlin et al (1989) suggest that there might be contradictory effects for fathers. On the one hand the unemployed fathers they interviewed had a very strong commitment to work in order to provide for their families. On the other hand, their perceptions of themselves as breadwinners also meant that they were unwilling to consider certain jobs, because they wanted jobs that could support the family. Elam and Thomas (1997) also found that those who perceived themselves as breadwinners were not keen to take part-time jobs. Some jobs may also be seen as ‘women’s jobs’ and may not be considered for this reason. The perception of men as breadwinners may also restrict the opportunities for women. The picture given by the partnered women interviewed by Stone et al (2000) in their evaluation of the New Deal for Partners was, in many ways, very similar to the picture found in studies of lone mothers (see also Dean, 2001 forthcoming). Those who did not want to work most commonly said this was because they were looking after their children and the sorts of barriers to work mentioned included childcare, lack of work experience and confidence, lack of suitable jobs. But there was also an element of concern about whether it was appropriate for them to be employed if their husbands were not:

‘there was a potential for friction and tension to emerge between partners and jobseekers if the partner became employed … most likely in households where the male jobseeker held a ‘traditional’ view of gender roles and wished to perpetuate the ‘male breadwinner- female housewife’ role … in such households jobseekers would possibly find ‘looking after children’ demoralising and a threat to their “traditional” role.’

(Stone et al, 2000, p13)

In general, men often define their fatherhood role in terms of a financial provider role (Speak et al, 1997; Burghes et al, 1999; Warin et al, 1999) so this does not necessarily mean that workless couples are more ‘traditional’ in their attitudes than employed couples. Marsh et al (2001) found little evidence of differences in attitudes among working and non-working couples. However, Shaw et al (1996) found that men in couples receiving Income Support were more likely to agree that ‘the man should be the main breadwinner’ than were women, and older people more likely to agree with this than younger people. Goode et al (1998), in their qualitative study of money management among families receiving benefits, found that the name and the payment of Jobseeker’s Allowance to the man tend to reinforce some couples in their joint commitment to the breadwinner identity for the man. Snape and Molloy (1999) also pointed to the importance of the breadwinner identity in shaping attitudes.
Trickey et al (1998) examined the impact of 'social networks' on jobseeking and duration of unemployment. Finding jobs through friends was not uncommon and there was a positive relationship between having employed friends and getting a job, with women and owner-occupiers apparently more likely to have friends who can help them to find work. Again, however, there is no separate analysis for couples with children.

8.3.3 Financial barriers to work

One of the long standing policy concerns has been that men with children face a particularly high financial disincentive to work because their out-of-work benefits may be close to, or even exceed, what they can earn in work. As with lone parents, the evidence suggests that there are several dimensions to the financial incentives issue - concern about making the transition to work, concern about meeting the costs of working, and concern about being able to manage financially.

A number of qualitative studies have explored the ways in which unemployed couples consider the financial aspects of working and how this affects their approach to seeking work. McLaughlin et al (1989) suggested that couples with children were concerned with both the level and the reliability of income in work - whether they would have enough to live on, and whether they could manage during the transition into work. Ford et al (1995) found that the overall level of the household's outgoings played an important role in determining the wages that they sought but also that these were generally set fairly modestly, to cover their basic needs. They also found problems in the transition to work, and in paying for particular expenses such as housing costs. Both studies found that some families were reluctant to claim in-work benefits and that men may be more reluctant claimants of in-work benefits than women. These views partly related to difficulties and delays that people had experienced in the past, but also reflected negative attitudes to claiming benefits. People tended to prefer to make up their incomes by overtime or by partners taking up jobs. Kempson et al (1994) also found that people preferred to seek extra income by these routes than by claiming benefits. In general couples seem to know less about in-work benefits and to be more reluctant to claim them than are lone parents. This suggests that, for couples, in-work cash benefits have not necessarily provided a bridge into work in practice (we return to this issue in the next chapter).

There has also been interest in the extent to which benefits act as a disincentive to the partners of unemployed people, and whether this explains why the wives of unemployed men are themselves less likely to be employed than are women married to employed men (Garman et al, 1992; McKay et al, 1997; 1999). For families receiving means-tested benefits while out of work, the earnings of the partner lead to a reduction in benefits (above a small disregard) and thus there is only a small financial gain from a partner's working. However, while McKay et al (1999, p112) found that 'the unemployment of one person in a partnership may
sometimes cause the other to leave work', it was also the case that partners had lower levels of employment before the respondent became unemployed. Their multivariate modelling examined the factors affecting whether a partner would be employed in any given week over a two-year period (1993 to 1996). This showed that partners were least likely to be working in families with young children, in families living in social housing, and in families where the unemployed person reported poor health or disability (the latter reinforcing again the point that non-child-related caring responsibilities may be an important work barrier for partners). Partners were also less likely to be working the longer the claimant was unemployed, with a ‘noticeable decline’ after 12 months, when the family would be receiving means-tested rather than insurance-based benefits.

However their results also suggested that these benefit factors were less important in explaining the lower levels of employment for partners than were ‘individual characteristics and shared constraints’ (which explained 19 per cent of the 31 per cent shortfall in employment compared with 12 per cent for unemployment duration). This tends to confirm the results from previous studies - the benefit system plays a part in this pattern of ‘family labour supply’, but is not the sole, or even major, cause. Elam and Thomas (1997) draw similar conclusions from their qualitative data, as does Dorsett (2001) from Labour Force Survey data:

‘The high degree of similarity between partners in a couple suggests that problems of worklessness may be concentrated within a particularly hard-to-reach group of households … Worklessness among partners differs by gender and policies should be sensitive to this. A better understanding of the inter-relationship of partners’ economic status is important in predicting the effects of employment policies.’

(Dorsett, 2001, p x)

8.3.4 Constraints on part-time working

In their evaluation of the Back to Work Bonus48, Ashworth and Youngs (2000) found that this had little impact on levels of part-time work among benefit claimants, but they did find that part-time work seemed to help some people move off benefit and into more full-time, although not necessarily permanent, jobs. Iacovou and Berthoud (2000) report similar results (see Chapter 3), as do McKay et al (1999). Elam and Thomas (1997) looked in detail at the attitudes of unemployed and formerly unemployed families to part-time and voluntary work while receiving benefits. They found that people saw the barriers to part-time work as similar to the barriers to full-time work: lack of suitable jobs, difficulties matching work and childcare, the costs of working (fares,

48 Unemployed people can build up this Bonus through part-time work while receiving Jobseeker’s Allowance. Half of earnings above the disregard are put into the Bonus and when the claimant moves off benefit into work s/he can receive up to £1000 tax-free.
childcare), their lack of qualifications and experience, and employers’ preferences and prejudices. But they also found that an important factor was whether or not part-time working was seen as being ‘worthwhile’. This encompassed a range of elements – being worthwhile financially but also being worthwhile in terms of the disruption to the family, and being worthwhile in terms of leading on to further or to full-time work. Women tended to be more positive about part-time work than men, who are more likely to hold the view that part-time work is low status, low-paid and likely to prevent, rather than enhance, their opportunities for full-time employment.

This review is focusing upon families with children and so we have been concentrating on research based on samples of families. But this puts all the attention upon the families - their characteristics, attitudes and situations - and tends to ignore the context in which they are placed, and the constraints that this places upon them. Here we consider the ways in which these research studies have taken this context into account, looking first at labour demand and then at childcare supply.

8.4 Labour demand/childcare supply

8.4.1 Labour demand and employer practices

There are several aspects of labour demand that may be potentially of interest in understanding barriers to work, especially variations in demand across regions or local labour markets, and variations in demand across different groups of workers (e.g. skilled/unskilled, part-time/full-time). These show considerable variation across the country and it has been argued that geographical variations in unemployment and labour demand are a much more significant factor in predicting employment outcomes than individual characteristics of unemployed people (Turok and Edge, 1999; Webster, 2000).

In general these sorts of factors have not been very well integrated into the research studies we have been considering. The most common way to measure labour demand in the survey-based studies has been to include a variable measuring the local unemployment rate (usually region or travel-to-work area), and/or a variable measuring local vacancy rates. These produce something of a mixed picture - for example McKay et al (1997) found region to be significant for unemployed people and Millar and Bradshaw (1991) also found this for lone parents. Hasluck et al (2000) found that the female unemployment rate was significant in their assessment of the New Deal for Lone Parents, but found no effects for vacancy rates. Shaw et al (1996) found no significant effects for unemployed people from either region or travel to work area, and nor did Trickey et al (1998) in respect of travel to work area. The latter note that this may be because ‘it is truly unimportant or because the Jobcentre area did not adequately coincide with the relevant labour market area’ (p 160), while Shaw et al suggest that there may be ‘differentiation of opportunity within labour markets’, (p136) with employers recruiting from those in work and from short-term unemployed but not long-term unemployed people.
This latter points to the importance of understanding employers’ recruitment practices. Dawes (1993), in an innovative study, combines data from a longitudinal sample of unemployed people in four travel-to-work areas, with data on vacancies, and a survey of local employers, arguing that ‘a satisfactory understanding of the labour market behaviour of the long-term unemployed must take account of the heterogeneous nature of employers, of unemployed individuals, and of the local labour market conditions that actually impinge on individuals’ (p8). There has been some recent interest in examining employers’ recruitment and retention policies including Brown et al (2001) focusing on low-paid labour markers, Lewis et al (2001) on employers and the New Deal for Lone Parents, and Snape (1998), Arthur et al (1999) and Elam and Snape (2000) in respect of other New Deal programmes. But this is an area where further work is needed and where the studies of labour supply and labour demand could be brought closer together.

### 8.4.2 Childcare supply and costs

There have been only limited attempts to include childcare costs and availability in formal models of employment. Bradshaw and Millar (1991) measured the importance of childcare for lone mothers by reference to answers to question about whether employed lone mothers needed childcare to carry on working and whether non-employed lone mothers needed childcare to take up work. This was a significant variable in their multi-variate analysis of the factors affecting full-time work probabilities. In their comparative analysis of lone mothers’ employment, Bradshaw et al (1996) measured the costs of childcare by reference to typical hourly rates for childminders. Duncan et al (1995) estimated childcare costs from data in the 1991/2 General Household Survey in their policy simulations of various childcare subsidies. Callender (2000) provides some evidence on childcare supply, using a database on the number of childcare places available for children aged up to age eight by local authority area in 1995/6.

There are both conceptual and technical problems in trying to include childcare in any modelling of employment decisions because, as discussed above, issues of cost, quality, accessibility and acceptability are difficult to untangle from the decision to work. In addition parents do not use childcare only as a tool to help them take up employment, but also for other reasons. This is an area where further research is needed, now that studies such as LaValle et al (1999) have mapped out the broad picture of parents’ use of, and demand for, childcare.

### 8.5 Summary

The main factors associated with employment for lone mothers are age of youngest child, educational qualifications, tenure, and also receipt of maintenance, relative lack of hardship out of work, access to in-work

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49 Another possible source of data would be the childcare audits, which all Local Authorities were required to carry out as part of the National Childcare Strategy.
benefits, and attitudes to work and family responsibilities. Lone mothers themselves cite caring responsibilities, ill health (self and children) and financial factors as important barriers, also lack of work skills and experience, lack of confidence, transport, lack of job opportunities, and employer prejudice.

Lone mothers’ views about employment are closely connected to the ways in which they think about motherhood and their obligations and responsibilities as mothers, and more specifically as lone mothers. These responsibilities are seen as relevant to all children, not just young children. This affects attitudes to childcare and lone mothers hold quite complex and sometimes ambivalent attitudes towards the use of childcare. There is a preference for informal care (which is seen as the closest substitution for parental care) and/or for work that enables the parent to continue to provide most of the care. Few people have the opportunity to try out childcare arrangements in advance of working, although this was something that people often wanted to be able to do. There is only limited information about barriers to taking up education or training, although student lone parents are particularly likely to be in financial difficulties and have problems accessing childcare. Nor do we know much about transitions from very few hours of part-time work into longer of hours of work.

For couples, it is important to note that ‘workless couples’ are not the same as ‘unemployed couples’. About half of the men in workless couples have health problems and many receive disability-related benefits, while most of the women are inactive, i.e. not seeking work. These couples share similar characteristics, which for many mean similar disadvantages in the labour market. It is this, rather than the benefit system, that seems most important in explaining their status as workless couples. Identity is important for couples as it is for lone parents and gendered expectations about family roles (especially about men as breadwinners) and about jobs (‘women’s jobs’ and part-time jobs) affect how both partners in a couple approach the labour market. Financial barriers are a significant factor for couples with children, with concerns about making the transition to work, about meeting the costs of housing, and about being able to manage financially. Some families seem reluctant to claim in-work benefits and this is partly related to difficulties and delays that people had experienced in the past but also to negative attitudes towards these. People tended to prefer to make up their incomes by overtime or by partners taking up jobs. The barriers to part-time work are similar to the barriers to full-time work, but another important factor was whether or not working part-time was seen as being ‘worthwhile’ not just financially, but also in terms of the disruption to the family, and in terms of leading on to further or to full-time work. Women tended to be more positive about part-time work than men.
The most common way to measure labour demand in the survey-based studies has been to include a variable measuring the local unemployment rate but this may be too crude to pick up labour demand effects. There has been some recent interest in examining employers’ recruitment and retention policies but this is an area where further work is needed and where the studies of labour supply and labour demand could be brought more closely together. Similarly, few studies have attempted to include variables to measure childcare costs and availability.
This chapter examines the impact of policies intended to help people into employment. The first part of the chapter looks at the UK evidence. The second part summarises key points from the cross-national evidence and from evaluations of policy in other countries, especially the USA. Policies to support employment can be divided into those which aim to ‘make work possible’ (through employment services, labour market programmes, measures to help parents reconcile work and caring responsibility), and those which aim to ‘make work pay’ (through in-work benefits, tax credits, childcare and other subsidies). More recently attention has also focused on helping people to sustain employment. There is a very substantial body of literature on these topics and this review seeks to keep a tight focus on the impacts on families with children.

9.1 Making work possible

Here we focus first on the New Deal programmes and then on other measures to help parents reconcile work and family life.

9.1.1 The New Deal for Lone Parents

Only one of the New Deal programmes is specifically targeted upon families with children. This is the New Deal for Lone Parents, where the original target group was lone parents receiving Income Support for at least three months and who had a youngest child aged five and above. The New Deal for Lone Parents was introduced in July 1997 as a prototype programme in eight areas, and nationally from October 1998. Lone parents are now required to attend work-focused interviews as a condition of benefit receipt, but participation in the New Deal for Lone Parents is voluntary. Participants have access to a Personal Adviser who provides information and advice about employment, training, childcare and benefits. Appendix C gives details of the evaluation reports (see also Hasluck, 2000 and Millar, 2000a for overviews). Key findings from the evaluation include:

- There has been a positive, although fairly small, impact on exits from Income Support. The prototype led to a reduction in the stock of Income Support claimants of about 1.54 per cent after six months and to a reduction of about 3.28 per cent after 18 months.

- However, not all participants left Income Support for employment and, among those who did, between a quarter and a third reported that they were no better off financially (this was prior to the introduction of the National Minimum Wage and the Working Families’ Tax Credit). Some returned to Income Support quite quickly (see section 9.3). In addition, as with all labour market programmes, some of those helped would have found jobs anyway and the additional employment effect was estimated to be about 20 to 28 per cent.
• The take-up of the programme has been low and this reflects a mixture of positive and negative factors plus a high degree of inertia. People have come into the programme with various different expectations, some being quite precise about the help they wanted but most being unsure about what they want.

• The amount of contact has generally been limited to one interview, covering job search, benefits and childcare and very few have been referred to other services or offered access to education or training. The better-off calculations were a key element for lone parents.

• Most participants have found the programme helpful and overall response has been very positive. But some participants have been disappointed in the limited help available and would have liked more information, especially about jobs and childcare.

• How the lone parents viewed the programme was closely linked to their perceptions of their Personal Advisers. They also generally welcomed the integrated service offered. Identification of needs was an important part of the Adviser’s role, especially in respect of those most far away from the labour market.

• Teenage mothers need particular support and encouragement and realistic assessments of the opportunities available to them. Lone fathers wanted general information about lone parenthood including informal support systems.

• Lone parents taking part in compulsory work-focused interviews in the three ‘Pathfinder’ areas were also generally positive about the advice and information they received and about one in three went on to have a New Deal for Lone Parents initial interview (Pettigrew et al, 2001).

A number of studies have also examined the operation of the New Deal ‘Innovative Pilots’ (Woodfield and Finch, 1999; Yeandle and Pearson, 2001) and of other welfare-to-work programmes provided by the voluntary sector (John et al, 2001). The most successful Innovative Pilots has established good links with other agencies (including the New Deal for Lone Parents) and many worked with clients who were particularly disadvantaged and in need of support to reach the stage of becoming ‘job ready’. These voluntary-sector schemes were valued in particular for being supportive and increasing confidence, and for providing childcare.

9.1.2 Other New Deal programmes

It is difficult to identify separately couples with children from among the target groups and participants of the other New Deal programmes. The New Deal for Partners of Unemployed People is targeted upon couples

50 There were ten such pilots which ran for a maximum of 12 months, between 1999 and 2001, each offering a different delivery model.

51 See also Evans H (2001) who examines the operation of a community-based employment programme in Hackney, London. This programme targets various groups who are disadvantaged in the labour market, including lone parents.
but many of these are likely to be childless. Indeed the target group is quite difficult to identify administratively (Griffiths and Thomas, 2001a/b) and take-up has been very low, with non-participants showing very little awareness of the programmes. Those who participated tended to have partners actively seeking work and their priorities were for the provision of information about childcare, confidence boosting and training in work skills. As noted in Chapter 8, some were concerned about the gender role implications of a programme to help partners into work (Stone et al, 2000). Families with children made up about one-third of the sample of participants and a quarter of non-participants in the evaluation of the New Deal for Disabled People (Arthur et al, 2000). Participants were more likely to have working partners than non-participants. Given that so many workless families include people receiving disability benefits (see Chapter 8), it would be useful to have more information about these couples and whether these non-working partners would welcome access to labour market programmes.

These include the National Childcare Strategy, the extension of maternity benefits and the introduction of parental leave. However there is very little to report in terms of evaluation of these measures, which are still in their early stages. Callender (2000) has examined some of the obstacles and difficulties that childcare providers face in setting up and running services, and at the wages and conditions of those working in the childcare sector. She also found a ‘rather confusing picture’ in respect of supply and demand, with both surpluses and shortages. Duncan et al (1995) modelled the impact of various different ways of subsidising childcare and concluded that targeting help on parents receiving in-work benefits is cost-effective but benefits relatively few families; that childcare vouchers could be effectively targeted at fairly modest costs; that full state subsidy to parents would be very expensive but could be restricted by means-testing; and that tax relief is neither well targeted nor effective in terms of work incentives. Marsh et al (2001) examined the use of childcare by working lone parents and low-to-moderate income couples with children. They found that ‘many of those who were in work had access to reliable, free or low-cost childcare, predominantly provided by friends and relatives’ (p 230). Most (68 per cent) lone parents used childcare when they were working, but most (64 per cent) did not pay for this care and most (85 per cent) were using ‘unregistered’ care. The same picture held for the couples – most (76 per cent) used care, but most (76 per cent) did not pay for it, and 91 per cent used ‘unregistered’ care.

9.1.3 Other measures to make work possible for families with children

Here we look first at Family Credit and then at other measures to boost in-work incomes, including Working Families’ Tax Credit.

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Footnote 52: Fielding and Bell (2001) explore attitudes to work and to participation in labour market programmes for childless couples receiving Jobseeker’s Allowance, in the context of the introduction of joint claims for JSA for these couples.
9.2.1 Family Credit

The PRILIF studies have provided a very clear picture of the way in which Family Credit was used and the impacts on families. Marsh (1995) provides a very useful short summary of the earlier PRILIF studies, Finlayson et al (2000) summarises the evidence for lone parents in the PRILIF cohort between 1991 and 1998, and Marsh et al (2001) examine receipt of Family Credit in 1999. These studies show that:

- Lone parents generally have higher take-up rates of Family Credit than couples, they are also more knowledgeable about it and other in-work benefits, and they feel less stigma about claiming. But non-working families (lone parents and couples) often have only limited knowledge and many families, both non-working and Family Credit recipients, do not understand how Family Credit interacts with other benefits.

- Lone parents tend to stay longer in receipt than couples. The main reasons for leaving are re-partnering, becoming ineligible because their children grow up, or losing their jobs and returning to Income Support. For couples, exits are more likely to be because their incomes improve or because they move from having one to having two earners.

- There are two main circumstances under which lone parents rely on Family Credit. First, when children are older and do not require childcare and the parent can work full time. Second, when the lone parent is in steady part-time employment, perhaps also receiving child support, and with children at school and/or in stable, often informal family-based, childcare.

- Family Credit can also help lone parents stay in work at the point at which they become lone parents, either because they start a claim at that point or because they continue to receive it from an existing claim.

- There are three main circumstances under which couples rely on Family Credit. First, when there are young children and one partner is providing full-time care. This is a sort of life-cycle use. Second, when the man loses his job in a two-earner family. These are what Marsh and colleagues call ‘parachute claimants’; Family Credit catches them and stops them falling into worklessness. Third, when the family fall into financial difficulties for other reasons. This might include loss of overtime, reduction in hours of work, drop in pay, increase in expenses, debts, etc. The family may be eligible for some time before they claim.

- Most families prefer to receive Family Credit than Income Support.

The impact of Family Credit on incentives to work has also been explored in these studies. There is a clear financial gain, especially for lone parents, who have substantially higher in-work income if they receive Family Credit. In 1999, according to the SOLIF data, lone parents receiving Family Credit were better off than they would be on Income Support by, on average, £57 before work expenses and £40 after work expenses. Couples were £41 and £36 better off respectively. This is not to say that these families all escaped poverty and hardship. Of the lone parents
receiving Family Credit 48 per cent were in moderate hardship\(^{53}\) and 19 per cent in severe hardship (this compares with 42 per cent and 38 per cent respectively for non-working lone parents). Of the couples receiving Family Credit, 46 per cent were in moderate hardship and 23 per cent in severe hardship (39 per cent and 38 per cent respectively for non-working couples).

The actual incentive effects of Family Credit are, however, not straightforward to identify nor to isolate from other factors. There are several possible incentive issues. Family Credit could have impacts on movements from non-work into work, on changes in hours of work, on the formation of new partnerships for lone parents, on second earners for couples. As noted above, families come into receipt of Family Credit in various different ways and many do not come directly from a situation of non-work. In the SOLIF data about half of the lone parents and about a third of the couples claimed when they started a new job and Family Credit may therefore have been an incentive for them to take up the job. However, it seems that very few recipients take up Family Credit as part of a conscious strategy.\(^{54}\) Ford et al (1995) in their qualitative study of decision-making among unemployed couples suggest that three groups can be identified: those who make ‘better-off calculations’ and then act upon them (about half of the people they interviewed); those who make better-off calculations but then override them (about a quarter); and those who do not make such calculations (about a quarter). For those making such calculations there is always a risk that they get these wrong. People who do not make such calculations, or who make them and then override them, tend to place greater emphasis on the nature of the jobs on offer. It is job-related factors - such as the type of work, the hours, the location, the pay, and the security - that are considered to be first and most important. Thus, as Bryson and Marsh (1996, p3), put it:

\[\text{\textit{\textquote{When asked to compare eleven factors that might be important in getting and keeping jobs, families rated wages, job security, hours, childcare and convenience ahead of Family Credit even though, retrospectively, they acknowledged its importance. They kept their attention on the labour market, not on the benefit system.}}\}\]

\(^{53}\) Moderate hardship means that the families scored 1 to 2 on a nine-point scale, severe that they scored 3 to 9. The items in the scale included, for example, quality of accommodation, heating, debts and money worries, lacking food, clothes, leisure activities and consumer durables.

\(^{54}\) The New Deal programmes could change this, at least for lone parents. As noted above, better-off calculations and information about in-work benefits were rated as among the most useful aspects of taking part.
The same sort of point may also apply to the potential disincentives for more hours:

‘The evidence was that if the withdrawal rate increased to say 100%, few would notice and no-one would behave any differently. The effects of the withdrawal rates are, anyway, cushioned by the six-month award period. In most claimants’ and ex-claimants’ views, more earnings are more earnings and will be welcomed … Improved labour market conditions are rarely to be rejected solely on the grounds of loss of benefit.’

(Marsh, 1995, p 25/26)

Another important issue concerns whether Family Credit helps people improve their labour market position or holds them back in low-paid jobs. Bryson et al (1997) found that lone mothers receiving Family Credit had less wage progression over the next few years than other lone mothers and thus ‘it seems that lone mothers’ ability to prosper in paid work is constrained, once they have entered or held low-paying jobs with a benefit-top-up’ (p74). This suggests that, while in-work benefits do help parents (especially lone parents) to get into or stay in work, there is a question mark over whether they help people to sustain employment and to achieve an upward employment trajectory.

9.2.2 Other income in work

The PRILF studies have consistently shown that working lone parents are more likely to be receiving child support payments than non-working lone parents. Finlayson et al (2000) suggest that child support payments act as a sort of ‘privatised’ Family Credit, providing an important, and non-means-tested, boost to in-work incomes for those who receive such payments. Women working part-time have been one of the main groups to benefit from the National Minimum Wage (Low Pay Commission, 2000) and many lone mothers are liable to be among these. About one-third of the working lone mothers in the evaluation of the prototype New Deal, who went back to work just before the National Minimum Wage was introduced, had hourly wages below that level (Hales et al, 2000). Meeting housing costs is also often an area of concern for families entering work, especially owner-occupiers, and people often find the interactions between housing benefits and other in-work support confusing (see Chapter 8 for further discussion).

9.3 Working Families’ Tax Credit

The above studies pre-date the introduction of the Working Families’ Tax Credit, but may provide some hints about how families might react to this benefit. Marsh et al (2001) found some, but limited, awareness of the change (just announced when they were carrying out their fieldwork). Table 9.1 shows that, of the payment options offered, most couples said they would prefer to receive Working Families’ Tax Credit through the Post Office, or by direct credit transfer, but few preferred the wage packet option (but note, the respondents were generally the women in the couples, not the men, and these were responses to a hypothetical question). However, Wheatley (2001) in a report based on people’s contacts with
Citizens Advice Bureaux, found payment through the pay packet to be unpopular with both claimants and employers, and one of the main causes of problems in the early stages of implementation.

Table 9.1  Preferences for receipt of Working Families’ Tax Credit, 1999

<table>
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<th>Eligible Moderate Income Workers</th>
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<td></td>
<td>Non-workers</td>
<td>Non-claimants of FC recipients</td>
<td>FC recipients</td>
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<tr>
<td>Through wages</td>
<td>%</td>
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<tr>
<td>Post Office</td>
<td>16</td>
<td>11</td>
<td>7</td>
<td>8</td>
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<tr>
<td>Bank or Building Society</td>
<td>29</td>
<td>43</td>
<td>26</td>
<td>49</td>
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Note: the sample is all respondents, lone parents and women in couples.

One of the main concerns about the Working Families’ Tax Credit is that it will create a disincentive to work for second earners; in effect it would put financial barriers in the way of a second earner in a couple entering work (Land, 1999; McLaughlin et al 2001). This is because the Working Families’ Tax Credit is generally paid to the wage-earner and so, if a second earner in the family enters the labour market, there would be a fall in the income received by the person who was already employed. The experience with Family Credit - where there was also a loss of benefit associated with a second earner - suggests that this disincentive might not have a large impact in practice. Families who are claiming in-work support for ‘life cycle’ reasons will still prefer employment when it becomes possible or desirable for them, as will those who are ‘parachute’ claimants. The six months award period also means that the impact is not immediate. However, Working Families’ Tax Credit is more generous than Family Credit and for most couples is paid through the pay packet. These factors might change the way in which it is perceived by claimants and by partners. The ‘first’ earner may be reluctant to give up income paid directly to him (in most cases it is the man), especially if substantial amounts are involved. Simulations of the impact are not able to take the payment method into account but can examine the likely impact of the higher levels of support.55 Gregg et al (1999) and Blundell (2000) both estimate that there will be increased employment among workless lone parents and couples but reductions in employment for second earners in two-parent families. Blundell also notes that the childcare tax credit

55 As Gregg et al (1999a, p103, note 38) note, not taking into account who actually receives the benefit ‘is not the solution to the extremely difficult question of how to model intra-household distribution. it is inadequate for looking at labour supply substitution within the household ( i.e. the possibility that the wife’s labour supply decision may be influenced by what the husband does and vice versa)’. As discussed in Chapter 8, there is evidence that people perceive money from different sources in different ways.
element could have a major impact on the childcare market, opening up low-cost care to those who currently do not have access to it. If so, the employment effects could be more substantial.

The introduction of the Integrated Child Credit in 2003 is also relevant. This new tax credit will replace the child payments in Income Support, income-based Jobseeker’s Allowance, the Working Families’ Tax Credit, the Disabled Person’s Tax Credit and the children’s tax credit with a single payment. Thus working and non-working families will be part of the same system, with payments being made to the primary care, in most cases, the mother (see Battle and Mendelson, 2001 for a comparison with similar child benefits in Australia, Canada and the USA). Adult payments in work will be through a separate Employment Tax Credit, which will also be available to some groups of childless people. Brewer et al (2001) calculate the extent of redistribution between men and women from the Integrated Child Credit. Among one-earner couples where the man is the Working Families’ Tax Credit claimant and receiving payment through his pay packet, the introduction of Integrated Child Credit will mean an increase in the women’s income from £15.50 to £50 per week, (at current rates), because the child payment is made to her and the man receives correspondingly less in Working Families’ Tax Credit.56 We do not know enough about how and when families make the transition from one to two earners to be able to predict how families have responded to the changing financial incentives offered by Working Families’ Tax Credit compared with Family Credit, and how they will respond to the Integrated Child Credit and the Employment Tax Credit compared with the Working Families’ Tax Credit.

9.4 Sustaining employment

Concern about what helps low-income workers to stay in employment is a fairly new area of interest. Kellard et al (2001) have recently reviewed the research, in part in order to explore the way in which terms such as ‘employability’57, ‘retention’ and ‘sustainability’ have been defined, and in part to review empirical evidence on what helps or hinders sustainability in employment (see also Walker and Kellard, 2001). They define sustainability as ‘the maintenance of a stable or an upward employment trajectory in the longer term’ (p23, see also Trickey et al, 1998). Some of the key findings they note from empirical

56 However, for lone parents, who all receive Working Families’ Tax Credit through the pay packet, the introduction of the Integrated Child Credit will mean that more money is received as a benefit and less received through the pay packet.

57 See also Hillage and Pollard (1998) for a discussion of the concept of ‘employability’.
research are that:

- Lone parents may have particular difficulty in sustaining employment because of problems with childcare (Noble et al, 1998).
- The presence of children in couple families may increase the chances of sustainable employment since people who have children are more likely to stay in jobs for longer periods (Trickey et al, 1998).
- Employment is more likely to be sustained for people with no health problems, homeowners, and those who have a car (Trickey et al, 1998).
- Employment may be particularly difficult to sustain from entry-level jobs (i.e. first jobs after a spell of unemployment) and for those who take temporary or part-time jobs as a route off benefits (White and Forth, 1998).
- Employers’ attitudes, their recruitment and retention polices, and whether they offer family-friendly employment are also important factors in creating the conditions for employment sustainability.

Noble et al (1998) also point out that many lone parents have multiple reasons for movements on and off Income Support, making it difficult to separate clearly work-related reasons from family-related reasons from benefit-related reasons. Hales et al (2000a), in their sample of lone parents within the target group for the New Deal for Lone Parents, found that about seven-eight per cent of the lone parents who left Income Support for work were back on benefit by the time they were interviewed (up to eight months later). The most common reason was because they left their job (40 per cent in New Deal areas and 30 per cent in the comparison areas) or lost a job (21 and 27 per cent). Non-work reasons (such as relationship breakdown) were rarely given. However, childcare problems were not apparently offered as an option on the checklist, so it may be that those who gave ‘other’ responses (17 per cent and 27 per cent) included some with problems of this sort. Those who said they had left jobs seems to have been in less good jobs than others, and they had more worries and more problems. So it may be that those who take a job that is less than satisfactory in some way find it more difficult to sustain that employment.

9.5 Work-based welfare: cross-national comparisons

In looking to the experience of other countries we start by summarising key points from cross-national comparisons. We then look in more detail at policies and programmes in the USA, and briefly at Canada. Figure 9.1 lists recent cross-national comparative studies of welfare to work programmes and associated measures.58

58 See also Pinto-Duschinsky (2001), who gives examples of welfare to work programmes and Kellard et al (2001) who have a brief review of studies relevant to employment sustainability.
Millar (2001) looks at work requirements and labour market programmes for lone parents in various countries. As she points out, a number of countries have recently made changes in their rules about when lone parents should be subject to some sort of work requirements. These include Norway, the Netherlands, Australia, New Zealand, Canada, the USA and the UK. She suggests that there has been a convergence towards setting the dividing line between those with and without work requirements at around the age at which children start school or, in some countries, pre-school education. The USA, where many states start compulsory work for lone mothers when children are aged 3 months, is an extreme case (see further discussion below). The nature of these work requirements also varies substantially, from attendance at work-related interviews, to job search requirements, to compulsory training, to participation in a range of social and other activities to compulsory part-time or full-time work. The labour market programmes also differ in the way they define target groups, in the use of sanctions and in what is provided. For example, the Australian JET (Jobs, Education and Training) is a voluntary programme which offers information and advice to lone parents and the Norwegian OFO (follow-up arrangements for lone parents) uses lone parent volunteers as ‘mediators’ who set up social and other activities as well as providing information and advice. Millar suggests that the details of implementation are crucial to understanding these schemes, not least because they include quite significant levels of discretion to the ‘street level bureaucrats’ responsible for service delivery.
Kilkey and Bradshaw (2001) compare ‘make work pay’ policies for lone parents. They point out that these can include ‘push’ (lower out of work benefits, time limits, sanctions) and ‘pull’ (tax and benefit boost to wages) measures. The UK and the USA are, they argue, the two countries where there has been the most active policy focus on make work pay.\footnote{Or at least policies explicitly intended to support low-wage workers; generous levels of child benefits may also act as a boost to in-work income in many European countries but do not have this label attached to them.} They point to the difficulty of trying to isolate the impact of such policies in the context of the general social and economic conditions and the other polices intended to increase employment. They also show that make work pay policies do not necessarily succeed in preventing poverty among employed lone parents.

9.6 Welfare reform in the USA

Welfare reform in the USA has included a range of measures, mainly targeted on lone mothers and in the context of a more de-centralised system which has no universal benefits for children (Waldfogel et al, 2001). The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PROWRA) abolished the federal AFDC (Aid to Families with Dependent Children) system and replaced it with block grants to states to fund time-limited cash assistance through TANF (Temporary Assistance to Needy Families). There are mandatory work requirements and a maximum period of receipt of five years in total. States have considerable discretion in how they implement this – all must impose work requirements but they differ in the nature and types of sanctions they impose for non-compliance, in how they apply the time limits, in their use of earnings disregards and treatment of child support, and in the level of support for childcare offered. Figure 9.2 summarises key features of programmes in two states, Michigan and Wisconsin, in order to give an idea of what happens in practice. Both show the strong work focus of the programmes, with almost all lone mothers being required to participate in work or work-related activities as a condition of benefit receipt. Exemptions apply only to those with very young children\footnote{In general, as we saw in Chapter 5, mothers in the USA have high employment participation rates. This also applies to mothers of very young children. In 1998, 59 per cent of women with children aged under one year were economically active, 36 per cent worked full-time, 17 per cent worked part-time and 6 per cent were actively seeking employment. (Census Bureau press release, 2000, at: http://www.census.gov/Press-Release/www/2000/ch00-175.html).} or, in some cases, health problems. One point to note is the use of ‘diversion’, whereby applicants are not considered to be part of the programme until they have started their work or work-related activities. This keeps inflow rates down.

As well as these state-level programmes, low-income working families may also be eligible for federal support through Food Stamps, the Earned Income Tax Credit and the Children’s Health Insurance Programme.
There is a vast literature on the impact of these and earlier reforms (see Appendix E) and so we have tried to focus on material that is readily accessible, and on synthesis reports and overviews rather than evaluations of individual programmes and initiatives.

**Figure 9.2 Claiming TANF in Michigan and Wisconsin: the process**

**Michigan Family Independence Programme (MFIP)**
The lone parent must claim in person at a local office, using a combined claim form (for food stamps, medical assistance, child care and cash benefits). She must have documentation on income, employment, citizenship, birth certificates, children’s school registration and comply with Child Support requirements. Within two weeks, she must attend a Work First orientation session and develop a ‘personal responsibility plan’ that will be initiated within two months. She will receive quarterly or monthly home visits. She is not officially a claimant until she had started her Work First activities, which are compulsory, unless she is already working for at least 20 hours per week. Exemptions include having a disabling health problem, caring for a family member with a health problem, having a child of less than 3 months, being a teenage parent attending school, or being aged over 65. Work First programmes are delivered locally and differ in the mix of job search services and support offered. Non-compliance means a benefit cut of 25 per cent, after four months benefits are lost entirely.


**Wisconsin Works (W2)**
Claim made at local offices. Everyone in the programme must be engaged in work or work-related activities as a condition of benefit receipt. The programme is built around the concept of a ‘self sufficiency’ ladder. The most work ready are in the highest tier, in which they must work for 40 hours per week, they receive basic services (case management and no-cash support) and their wages plus EITC (if claimed). At the next tier (Trial Jobs), also 40 hours, there are temporary jobs with subsidies for employers, recipients receive market wages plus (again if claimed) EITC. In the next tier (Community Service Jobs) participants work for 30 hours per week and spend 10 hours in education/training. They work in public sector or not-for-profit organisations, where they receive benefits (rather than wages) and are not eligible for EITC. In the lowest tier (W-2 Transitions) the work assignment is made by a caseworker and may include sheltered working and participation in alcohol or drug treatment. This requires 28 hours in work or training and 12 hours in education or training. There may be exemptions for those with health/disability problems and mothers of young infants (under 13 weeks) are also exempt. Benefits do not vary by family size, but recipients do get to keep all child support payments received. The programme is administered by private agencies. Non-compliance can lead to loss of all benefit.

*Source: Meyer (2001)*
One of the main sources of information about outcomes of welfare to work programmes comes from the National Evaluation of Welfare to Work Strategies (NEWWS), which is being carried out by the Manpower Demonstration Research Corporation (MDRC). This has been following people, mainly lone parents, randomly assigned to participation or control groups in welfare-to-work programmes starting between 1991 and 1994 under the federal JOBS legislation (Job Opportunities and Basic Skills Training). These therefore pre-date TANF and include a range of different types of programmes. Some key findings include:

- Those most likely to move into work are those who are more ‘job-ready’ with fewer barriers to work and who are in labour markets with good labour demand.
- ‘Work first’ produces larger immediate gains, and larger gains for disadvantaged people in the medium term, and costs less. But over the longer term these differences narrowed.
- The most effective programmes used a mix of services — including some education and training — with a strong emphasis on work and with individualised assessment at the start.
- Most people who went to work obtained low-wage or part-time jobs, and some left welfare without finding work. The only programmes that both increased work and made families financially better off were those that provided earnings supplements to low-waged workers.
- Those who never found work in four years tended to be older, with low education and basic skills, limited work experience, and high personal barriers to work. Those in the steadiest work tended to have started working relatively early in the follow-up period, had higher education and skills, more recent work experience and fewer personal barriers to work. They were also most likely to have had transitional help for Medicaid and childcare.
- The impacts on children seem to have been relatively minor, and included both positive and negative outcomes (see further discussion below).
- Portland, Oregon was one of the most successful programmes, ‘probably due to a combination of factors. While its employment message was strong, the program offered high-quality education and training services as well as job search, enforced a participation mandate, and had strong job development and placement services. In addition, contextual factors may have contributed to the program’s success. In particular, it worked with a less disadvantaged welfare caseload (relative to the other studied programs) and operated within a good labor market with a relatively high state minimum wage.’

(Freedman et al, 2000, p ES17)

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61 See Appendix E for more detailed summaries of the synthesis reports.
Arguably, however, these ‘contextual factors’ - strong labour demand and not so disadvantaged participants - are the most important aspects and, to some extent, the most difficult to emulate, at least in the context of supply-side programmes.

9.6.2 Overall outcomes post 1996

Lone mothers’ employment rates in the USA have risen sharply and are now higher than those of married mothers (68.4 per cent in 1999 compared with 67.1 per cent for married mothers). The number of welfare recipients fell by half between 1994 and 1999. Child poverty has been falling since 1993 (Haskins and Primus, 2001). There is general agreement that the TANF reforms are part of the explanation for this but not the full story (Danziger, 1999; US Congress Ways and Means Committee, 2000; Meyer and Duncan, 2000; Greenberg, 2001; Blank and Haskins, 2001). Greenberg (2001a, p1) sums up the impact of TANF and welfare reform succinctly:

‘Since 1996 employment among low-income parents has risen, family and child poverty have fallen, and states have expanded many services for low-income families. But welfare caseloads have fallen far more rapidly than child poverty, many families have lost benefits without finding work, and many who have found work have had little or no increase in economic well-being.’

Waldfogel et al (2001, p59) reach the same conclusions:

‘Bolstered by a strong economy and a surge of federal funding to the states, welfare reform has contributed to large declines in welfare rolls and increased work among lone mothers and has been moderately successful in raising incomes for those who work… However many lone mothers, who have not been able to find and keep jobs, are worse off financially because of the reforms. Many others are no better off financially – they have simply moved from the ranks of the welfare poor to the working poor. In many states, a single mother with a pre-school child is expected to work at least 30 hours per week, at a minimum wage job with only a modest amount of child care subsidy and EITC and health insurance only for her children.’

9.6.3 Childcare and the impact of welfare reform on children

There has been an expansion in funding for childcare from both federal sources (a 25 per cent increase in the period 1997 to 2002) and state sources (of almost the same order), and states have considerable discretion in how they allocate spending and in what they provide to whom. Waldfogel et al (2001) note that policy developments have included the provision of childcare subsidies, measures to promote an expansion of supply, and the integration of welfare and non-welfare subsidies, so that families do not lose subsidies if they leave welfare. Subsidies are usually provided on the basis of a means test but are not entitlements, so access may depend on the availability of funds. Blank and Poersch (2000) provide an overview of state provision of childcare. Waldfogel et al (op cit) note that there is evidence that the quality of care in many childcare settings is ‘poor or mediocre’ and also that little is known about the quality of care.
being received by children of ex-welfare recipients, although it is known that they are more likely to use informal than formal care.

Duncan and Chase-Lonsdale (2001) look at the impacts of welfare reform on children’s well-being and development (see also Hamilton et al., 2000; Morris et al., 2001; Sherman, 2001). Their main findings were that:

- The impacts on children are different for children of different ages.
- The evidence is very limited in respect of outcomes for infants.
- For pre-school and elementary school children the outcomes are broadly positive in respect of measures such as school achievement, problem behaviour, health (the latter two mostly as rated by parents). Outcomes are more likely to be positive in programmes that combine the work mandates with other supports such as childcare subsidies and in-work benefits (i.e. where income in work is higher). Children in long-term welfare recipient families often showed the most positive outcomes.
- For adolescents the outcomes were more negative in respect of school problems and risky behaviour (drinking, smoking).
- There is some evidence to suggest that the positive outcomes come about through the participation in childcare and after-school programmes.
- Overall, however, ‘even though reforms may help reduce problems of poverty, mental health, domestic violence and children’s health and development, these problems remain alarmingly common, even among families offered a generous package of work supports’ (p 392).

Sherman (2001) also reviews findings from 16 welfare-to-work programmes (among those evaluated by MDRC) and concludes that the income effects were particularly important - programmes which ‘substantially lifted income had mostly good effects on children’ while those ‘that lowered income had mostly bad effects on children’ (p5–6). Those with little impact on income had mixed effects on children. Raising income was therefore important to achieve good outcomes for children.

The ‘fragile families and welfare reform’ study, which is following a birth cohort of almost 5000 children in 20 cities, provides information on the incomes and employment of unwed mothers and fathers, examining child support as well as welfare reform issues (Garfinkel et al., 2001).

As noted above, many lone-parent families leaving welfare for work move into low-paid jobs and are only likely to be better off financially if they receive some form of in-work subsidy. The main federal programmes are the Food Stamp programme, the Earned Income Tax Credit (EITC) and the Children’s Health Insurance Program (CHIP). States may also have their own schemes of earnings disregards (these have become increasingly used), Medicaid, children’s health insurance and childcare subsidies, as well as local tax credit schemes. From the UK perspective there is particular interest in the EITC and Brewer (2000) provides a comparison of the UK and USA systems of in-work benefits for low-
waged families (WFTC and EITC) focusing on work incentive issues (see also Eissa and Leibman, 1996; get JRF reference). Overall he concludes (p3) that there is a ‘similar picture in both countries: good financial incentives to do some minimum-wage work but poor financial incentives to increase earnings’. He also notes that low take-up may be an issue in the USA (see discussion of welfare ‘leavers’ above) and also discusses the impact of the different time periods and responsiveness (EITC has annual assessments and payments). Smeeding et al (2000) look at how families use their annual EITC payments and found some evidence that some families were using these lump-sum payments for ‘investment’ (improving economic social mobility) rather than ‘consumption’ (making ends meet). But most families planned both sorts of use and half said they could not meet their ‘priority use’ without EITC. Porter et al (2001) found that poverty rates among working lone mothers stayed fairly static between 1995 and 1999 and the average poverty gap increased. They argue that in-work benefits, particularly the Earned Income Tax Credit, contracted over this period, failed to provide an adequate safety net for poor working families.

Ellwood (1999) reviews the impact of EITC on employment and marriage. He concludes that there is a ‘strong positive’ effect on the employment of lone mothers but a ‘modest negative’ effect on the employment of married mothers. He also finds ‘no discernible effect’ on marriage in either direction. These findings of no effect on marriage rates is particularly interesting in the context of current US debates about the welfare system and marriage. The goals of the TANF legislation included the promotion of marriage and the reduction of out-of-wedlock pregnancies. This aspect of the legislation has received less attention in both policy and research than the work-related goals but is now increasingly coming to the fore. Greenberg (2001a) notes that there are several problematic issues in respect of these sorts of policy goals: it is not clear what policy measures and instruments could be used to achieve these goals; there is no research base comparable to the extensive information on ‘what works’ in respect of employment policies; there are disagreements over the appropriate role for government in this area; and there is no strong public consensus about these goals (as there has been over the work-related goals). Nevertheless, there are calls for the next stage of welfare reform to take stronger steps to actively promote marriage.62

9.6.5 Learning lessons? Waldfogel et al (2001, p59) conclude that ‘countries that are willing to end the entitlement to cash assistance, and accept some increases in hardship, can look to the USA as a model for increasing the employment

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of lone mothers’. But, as they go on to point out ‘if the policy goals are to increase employment and reduce poverty (as they are in the UK), then the USA may not be such a helpful example’. Both Evans (2001) and Theodore and Peck (2001) raise some points of caution in the relevance of USA experience to the UK. Evans (op cit, p51) points out that ‘the most consistent answer to what works in welfare to work is an underlying healthy growing economy with job growth’ and points to the rising rates of poverty and higher poverty gaps in the USA and to the very marginal gains made by many who move into employment. He also argues that the US research evidence tends to focus more on the ‘gain’ than the ‘pain’ and that the UK policy agenda requires more disaggregated data on winners and losers.63

Theodore and Peck (2001) compare work-first and human capital approaches, their objectives and advantages and disadvantages. They suggest that one particular aspect of the work first programmes is that their success is ‘highly contingent on the state of local labour markets’ (p87) and that they fail to address wider aspects of social exclusion/inclusion. They are also critical of the USA evaluation methodology for a narrow focus on ‘caseload reduction, employment levels and cost savings – outcomes that are best suited to the goals that the [work first] models seek to achieve’ (p 90) and suggest that this has had a negative impact on policy, leading to a reduction in the use of human capital programmes in favour of work first approaches. They suggest that in the UK, where there is substantial variation in labour demand, supply-side policies such as these cannot by themselves have a significant impact on worklessness. Finally, it should be noted again that the main target group for welfare reform in the USA is lone parents, and there is almost no information about low-income couples with children.

9.7 The Canadian Self-Sufficiency Project

Before leaving North America, we should look at one programme in Canada that has achieved some impressive results – the Canadian Self-Sufficiency Project, which has been running for over three years, and was evaluated by the Social Research and Demonstration Corporation (Berlin, 2000; Michalopoulos et al, 2000a). This provided an in-work cash benefit to lone parents who had been receiving Income Assistance for at least one year and who left Income Assistance for full-time work of at least 30 hours per week within 12 months of entering the Self Sufficiency project. The supplement lasts for three years, as long as the lone parent stays in work and does not claim Income Assistance. There was a random allocation evaluation and the samples have now been followed for three years. The level of the in-work benefit was relatively generous, paying

63 Another criticism in the US is the lack of attention paid to the issue of race in the research, Cherry and Rodgers, 2000; Soss et al, 2001.

64 The Social Research and Demonstration Corporation website can be found at http://www.srdc.org
half the difference between wages and a ‘benchmark’ figure of around C$30,000 to 37,000, with a 50 per cent taper operating above a certain level.

The evaluation found that the programme led to increases in both full-time employment and earnings. Full-time work was of course a condition of eligibility, but employment effects continued throughout the three years, much of the employment was stable and wages grew over time. There was reduced receipt of social assistance but more receipt of in-work benefits. The increased earnings and increased cash transfer payments led to an overall increase in income and reduction in poverty. Much of the extra income was spent on food, clothing, and rent, or used to increase savings. Wages grew over time. The impact on marriage rates was mixed. The authors conclude:

‘When structured properly, programs with financial incentives can be triple winners, encouraging full-time work, increasing income, and reducing poverty. At the end of the three year follow-up period, SSP increased full-time employment by nine percentage points, reduced poverty by nine percentage points, and increased after-tax income by more than $100 per month. In comparison, programs that encourage welfare recipients to look for work or to build skills without providing financial incentives typically increase employment but do not increase income and do not reduce poverty. Programs that supplement the earnings of welfare recipients who work part time also can encourage work and increase income, but by themselves such incentives typically have smaller effects than SSP on earnings and income …’

(Michalopoulos et al, 2000a, pES12)

As noted above, this programme requires participants to engage in full-time work of at least 30 hours per week. This requirement meant that not everyone was able to take advantage of the in-work benefit. In fact two-thirds of the programme group did not receive any payments at all, and while ‘most’ were interested in participating they either could not find suitable full-time work or were unable to overcome other barriers to work within the time period. The authors therefore also conclude that such programmes ‘might be even more effective when combined with other policies to help welfare recipients find work or to help them overcome barriers such as child care and transportation problems’. (p E-12)

9.8 Summary

Only one of the New Deal programmes - the New Deal for Lone Parents - is specifically targeted upon families with children. Evidence from the evaluation of the NDLP prototype programme and from the early stages of the national programme, showed some success in helping lone mothers into work, but take-up has been low and, while most are very satisfied with their participation, some would have welcomed more guidance. The better-off calculations are an important element in the help offered. Extensive evaluation of the national programme is under way. We know little specifically about how couples with children fare in the other New Deal programmes.
Lone parents generally had higher take-up rates of Family Credit than couples, they were also more knowledgeable about it and other in-work benefits, and they felt less stigma about claiming. Lone parents tend to receive Family Credit when children are older and they can work full time, or they combine it with part-time work when children are younger. Many who leave go back onto Income Support. Couples tend to receive Family Credit when they have young children and one partner is providing full-time care; when one worker in a two-earner family loses their job; and when the family falls into financial difficulties for other reasons. Family Credit did boost income in work, although some recipients still experienced hardship. The actual incentive effects of Family Credit are not straightforward to identify nor to isolate from other factors, but it seems that labour market (rather than benefit) issues are most important for many families. Simulations suggest that the Working Families’ Tax Credit will lead to increased employment among lone parents but reduced employment among second earners in couples. This needs further research to understand what is actually happening in practice. There has been some recent interest in the factors that make it possible for families to sustain employment, but this is another area where further research is needed.

Turning to the cross-national comparison, a number of countries have introduced new work requirements and labour market programmes for lone parents. Lone parents are often required to participate in some activities when children reach school-age but there is a large degree of variation in what is required and how this is enforced. In the USA employment rates for lone mothers have risen sharply and welfare receipt has fallen. This is partly a consequence of a strong economy but welfare reform has also played a part. The USA evidence shows that those most likely to move into work are those who are more ‘job-ready’, with fewer barriers to work and who are in labour markets with good labour demand. Work first programmes produce earlier results at lower costs, but human capital approaches tend to catch up over time. The most effective programmes use a mixture of both, with individual assessments. High compulsion does not necessarily lead to more employment outcomes. The only programmes that both increased work and made families financially better off were those that provided earnings supplements to low-waged workers. Many non-employed lone mothers are much worse off financially because of the reforms and even those who work full-time do not necessarily escape poverty. There has been a significant expansion of childcare services (although much of the provision is still of poor quality), and of in-work benefits such the Earned Income Tax Credit. The impacts of welfare reform on children relate to the age of the child, with mixed evidence for young children, generally positive for primary school children but more often negative for teenagers. Current policy attention is increasingly focused on issues of marriage and family formation. The Canadian Self-Sufficiency Project, which pays generous supplements
to those in full-time work, has had some success at increasing employment and reducing poverty but many people were unable to find full-time jobs that would give them access to this support.

Overall, the cross-national comparisons show that there are many ways to pursue work-related policy goals, that isolating ‘what works’ is very difficult, but that the most effective programmes include a flexible mix of measures of in-work financial support, childcare support and individual assessment for help with job search and training.
Families, Poverty, Work and Care

Part Three - Conclusions
It is clear from this review that, even just over the past ten years, there has been a substantial body of research into the situations and circumstances of families, and especially of lone-parent families. The combination of quantitative and qualitative research, the increased availability and use of dynamic panel data, and the extensive evaluation programme for the New Deal and other new policy measures has provided an increasingly rich and complex picture. In this final chapter we point to some of the places where further research could help to fill some of the gaps in our knowledge, particularly in the context of the current policy agenda.

10.1 Health matters

Issues of ill-health and disability are a recurrent theme for lone parents and for poor couples with children. These affect both adults and children. Poor health is a clear work barrier, either because of caring responsibilities or because of own ill health. Ill health is often associated with very long durations of benefit receipt. It would be useful to know more about the needs and circumstances of families with poor health and/or disability.

10.2 Hardship, poverty and sustainability

An updated analysis of the adequacy of benefit levels is long overdue. Hardship is very much part of the lives of most lone parents and of poor couples with children. Longitudinal research has shown the extent to which families move into and out of poverty and which types of families are most at risk of becoming and staying poor. It would be useful to know more about poverty gaps, about which families experience the greatest intensity of poverty and the extent to which current policy measures are reaching these poorest families.

A focus on the poorest families would also make more visible the nature and extent of the disadvantages faced by some ethnic minority groups, especially Bangladeshi and Pakistani families with children. We know very little about the circumstances of these families, their patterns of employment and benefit receipt and their access to the New Deal and other in-work support.

The concept of ‘sustainable livelihoods’, which draws attention to the range of resources - financial, human and social capital, environmental - that poor individuals and families may (or may not) be able to call upon, could provide a useful frame for future work on poverty and hardship. Such an approach would seek to locate and understand individual actions and decisions within wider structural constraints.

10.3 Family structure

We know a lot about lone parents’ circumstances, employment and benefit receipt, but much less about low-income couples with children and about other ‘new’ family types (cohabiting couples, stepfamilies, same sex
families, adopting and foster families). However the most useful way to approach this may not be to focus on these as particular family types but to seek to place these within a dynamic and lifecourse perspective. There is much diversity within these family types and it may be useful to focus, for example, on the needs and circumstances of all families caring for very young children, or all one-earner families, rather than on the number/marital status of parents. A dynamic approach would also help to make more visible the nature of the contributions of separated parents to children in lone-parent and stepfamilies, and the nature and impact of different routes into lone parenthood.

10.4 Children Policy and research have both become increasingly child-centred in recent years. But there is still something of a gap in respect of taking the child’s perspective, and there is a need for more quantitative and qualitative research directly with children themselves. We know that children brought up in poverty do less well at school and on a range of other indicators, but little about the actual processes that lead to these outcomes. Given the employment focus of current policy it would also be useful to know more about how children experience parental employment and in particular how children cope with, and adjust to, parents making the move from full-time care to paid work. Much of the research into childcare has focussed on childcare as facilitating parental employment; we know less about how children experience such care.

10.5 Educational and training needs Educational qualifications are clearly important in helping both lone and partnered mothers to work, and to better jobs. We need to know more about needs for education and training and barriers to the uptake of these. We also need more information on the access to in-work training for low-paid workers, and the extent to which such training enhances employment retention and progression.

10.6 Family labour supply Recent research has started to look to the family and not just the individual but there are still both conceptual and empirical gaps. Does a family labour supply mean that families are making decisions as a unit, or that the family provides a context for individual decisions? We need to understand more about how expectations about gender roles are involved in family labour supply. Much of the research has focused on the transition from having none to having one earner; we need to know more about what helps or hinders families in making the transition from one to two earners and vice versa. We also need to know much more about the needs and circumstances of one-earner families and of workless two-parent families, including those from ethnic minorities.

10.7 Managing paid work and care work Our knowledge of childcare use and attitudes to care has improved but we still know little about how families actually cope with the demands of combining paid work and care work on a day-to-day basis. This is particularly important in order to understand issues of employment sustainability and progression. More on childcare supply and how this
links with demand would be useful, perhaps through an evaluation of the National Childcare Strategy.

The evidence we have suggests that, for some people, participation in part-time work and/or voluntary work can act as a stepping stone into more full-time employment. Current policy is encouraging lone parents to follow this route, with higher earnings disregards for those receiving Income Support and other measures. We need to look more closely at this issue, both for lone parents and for couples, and at what helps families to stay in work.

The evaluations of the New Deal for Lone Parents have provided a great deal of information about lone parents but we know very little about the impact of the New Deal on couples with children. The New Deal evaluations have also examined the role of those responsible for delivery and these clearly show the central importance of the New Deal Advisers. There is a need for continuing evaluation of what makes for effective services and improves access to these.

Employers are, to some extent, playing a more active role in respect of policies such as the New Deal. They are involved in the delivery of some cash benefits/tax credits and have various obligations in respect of ‘family-friendly’ employment. The New Deal evaluations have started to include employers as part of the research. Much more could be done on this front, and to examine issues of recruitment and retention. More precise and accurate ways of measuring labour demand would also help us to understand better the relative importance of labour demand and labour supply in the variations in regional and local unemployment and worklessness.

There have already been changes in the assessment and delivery of in-work benefits in the shift from Family Credit to Working Families’ Tax Credit and will be more when the Integrated Child Credit and the Employment Tax Credit are introduced. We need to know more about how these fit with families’ budgeting practices, both short term (day to day money management) and over the longer term (savings and other assets building).

Recent policy changes have affected different types of family in different ways and there is a need for research which critically assesses these in respect of equity between different types of family and within families – one-earner and two-earner families; men and women; first and subsequent children; small and large families; lone, cohabiting and married parents.

The cross-national comparisons show that there are many interesting examples of policy and practice in other countries, and examining these can both highlight new ways of thinking about particular issues and provide examples of policy successes and failures. Evidence about welfare reform
from the USA has been very influential but there is also a need for research to focus upon more targeted examples of specific policy areas from a wider range of countries. Examples include the operation of ‘daddy leaves’ in Scandinavian countries; the development of care benefits and policies to promote the reconciliation of work and family life in European countries; the partial individualisation of benefits and the introduction of ‘parenting’ benefits for both lone and married families in Australia; the use of different time periods for the assessment and payment of cash benefits in the USA, Canada and elsewhere.

Finally, much of the research has characterised these family and employment trends in terms of polarisation - between two - earner and no-earner couples, between the well-educated and the unqualified, between women with uninterrupted full-time work histories and those with gaps and part-time working; between teenage mothers and women who postpone having children. These are real divisions but they are not necessarily well captured by the rather rigid and dichotomous concept of polarisation, which can obscure the range of social divisions - of social class, race and gender - and how these operate and interact across the lifecourse.
A.1 Population Censuses  
The 1991 Census provides our best estimate for figures like the number of lone parent families in Britain (Haskey 1994). Having said this, the estimates contain some uncertainty because the Census did not ask questions about the relationships between all members of each household. Estimates are therefore checked against estimates from other sources such as the General Household Survey, a continuous survey of the general population. The Census is the best source of data for analysis of regional and local variation because it covers all households rather than just a sample. Data from the 2001 census should be available in the next couple of years.

A.2 Bradshaw and Millar survey 1989  
Sponsored by the Department of Social Security, Bradshaw and Millar (1991) carried out the first cross-sectional survey of lone parents in Britain in 1989 with a sample of 1,428 lone parents. Lone fathers were included but widows and widowers were excluded.

A.3 Policy Studies Institute surveys 1991 onwards  
From 1991 onwards, the Department of Social Security has sponsored the Policy Studies Institute to carry out a series of surveys of lone parent families and low-income couple families (see Appendix B).

A.4 British Household Panel Survey (BHPS) 1994 onwards  
The BHPS was started in 1991 with a random sample of 5,500 British households containing about 10,000 people (Buck and others 1994). These people are re-interviewed each year along with any new partners that they live with and any children that reach the age of 16. Attrition rates are low, with 76 per cent of the original sample re-interviewed in 1997. In 1992, complete history data on previous marriages and cohabitations was collected and this has been used to study past and present spells of lone parenthood (see for example, Boheim and Ermisch 1998; Ermisch and Francesconi 1996).

A.5 National Child Development Study (NCDS)  
NCDS is a series of surveys of all 17,000 babies born in Britain in one week in 1958. Data on all aspects of personal, social and economic circumstances were collected from parents and others when these children were aged 7, 11 and 16. The people themselves were interviewed at the age of 23 and in 1991 when they were 33 years old.

A.6 1970 Birth Cohort  
This is a continuing longitudinal study which started with a sample of about 17,200 children born in Great Britain between the 5th and the 11th April 1970. There have been four rounds of interviews, with the mainly medical data collected at birth later supplemented by data on physical and social development at ages 5, 10, 16 and 26 (the latter also includes economic status).
This survey was similar to the Women and Employment Survey (WES) of 1980. Both these surveys interviewed a nationally representative sample (of women in WES and both men and women in FWLS). Full life and work histories were collected in both surveys making it possible to look at duration of different types of families. A total of 9,139 people were interviewed, aged from 16 to 69.

The LFS is a large-scale sample survey of the general public, carried out throughout the European Union using comparable questions and definitions. It was originally carried out each year but since 1992 it has been carried out quarterly in the UK. The sample size is huge – at 60,000 households each quarter of the year.

A total of 619 non-resident fathers were interviewed in 1996. The study was sponsored by the ESRC and found its sample of non-resident fathers by asking men from a sample of the general public whether or not they were the father of a child living with their mother in another household (Bradshaw and others 1999). This is the best sample of non-resident fathers that is available although the representativeness of the sample must be considered cautiously. The study covered many issues but concentrated on maintenance and contact between non-resident fathers and their children.
Full details of the PRILIF dataset and publications can be found at the ESRC Data Archive website at the University of Essex (http://www.data-archive.ac.uk/findingData/snDescription.asp?sn=3977).

### Programme of Research into Low-Income Families (PRILIF)

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Marsh and McKay (1993)  
*Lone parents and work*  
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*Poor Smokers*  
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| Two further cross-sections of lone parents (samples of 900 each) in 1993 and 1994. | *Changes in Lone Parenthood 1989-1993*  
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*Why didn’t they claim?*  
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| Follow-up interviews in 1993 and 1994 with 500 of the lowest income couples from the 1991 cross-section, and qualitative follow-up with eligible non-claimants of FC. | *Lone Parents, Work and Benefits*  
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*The Health Trap*  
Dorsett and Marsh (1998) |
Finlayson, Ford, Marsh, McKay and 1996  
Mukherjee (2000) |
| Flow sample of 1,000 lone-parent and couple families leaving Family Credit in 1993. | *Leaving Family Credit*  
Bryson and Marsh (1996) |
## Summary

Cross-section sample of about 5000 designed as first stage of a longitudinal data set. All lone parents and low-to-moderate income couples with children. Low-to-moderate incomes defined as those with earnings no more than 35 per cent above the point where Family Credit entitlement would end.

A second wave of data from SOLIF 2000 (now known as FACS) will be available in early 2002 and a third wave of the survey in 2001 (which will include higher-income couples as well) will yield data in early 2003.

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- *Low-income families in Britain: work, welfare and social security in 1999*
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## Prototype New Deal for Lone Parents (NDLP)

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<td>All aspects of NDLP, including nature of client group, processes and outcomes. Interviews with about 4,500 lone-parent participants and non-participants in 8 prototype areas and 6 comparison areas, chosen to reflect areas of high, medium and low unemployment. Some respondents interviewed twice, with about 8 months between interviews.</td>
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### E.1 US Government Sites

**Department of Health and Human Services Office of the Assistant Secretary for Planning & Evaluation (ASPE)**

**Website**
http://aspe.hhs.gov/hsp/hspwelfare.htm

**Contents**
Human Services Policy ‘Welfare and Work’ site, includes links to research studies (of outcomes, leavers, diversion, etc)

**Department of Health and Human Services Administration for Children & Families: Office for Planning Research and Evaluation**

**Website**
http://www.acf.dhhs.gov/programs/opre/

**Contents**
Data on children’s well-being and on TANF and AFCD

**Department of Health and Human Services: Administration for Children & Families: Welfare Reform**

**Website**

**Contents**
Details of legislation and reporting, research and statistics

**Department of Health and Human Services: The National Evaluation of Welfare-to-Work Strategies (NEWWS)**

**Website**
http://aspe.hhs.gov/hsp/NEWWS/

**Contents**
Details of the National Evaluation of Welfare to Work (NEWWS) programme

**US General Accounting Office**

**Website**
http://www.gao.gov/

**Contents**
Reports on federal government expenditures, including welfare reform

**US Bureau of the Census**

**Website**
http://www.census.gov/

**Contents**
Data on family structure and poverty, etc.

**US Congress House**

**Website**
http://www.access.gpo.gov/congress/wm001.html

**Contents**
House of Representatives Committee on Ways and Means: Green Book 2000 includes Appendix L: Monitoring the effects of pre- and post-TANF welfare reform
MDRC is conducting the National Evaluation of Welfare to Work Strategies on behalf of the US Department of Health and Human Services. This follows people randomly assigned to participation or control groups in programmes starting between 1991 and 1994 under the federal JOBS programme (Job Opportunities and Basic Skills Training). The research compares ‘human capital development’ and ‘labor force attachment’ approaches and provides data on economic outcomes and on educational attainment, family composition, housing status, wage progression, employment, child care, depression, and total family income. It also includes information about the well-being of the children.

These publications are all synthesis reports, see the MDRC website for reports evaluating specific programmes at national and state level. The summaries here are edited versions of the executive summaries, which can all be found at the MDRC website.


Based on five large-scale random assignment studies that examine 11 programmes aimed primarily at lone-parent families, all started early 1990s. There were three main types of programmes: earnings supplements (4), mandatory employment programmes (6), time limits to benefit receipt (1). Children’s school achievement, social behaviour, and health were measured (mainly by parents’ reports sometimes by standardised tests or teachers’ reports) 2 to 4 years after parent’s entered programmes, when children were aged 5 to 12. The earnings supplement programmes all increased both parental employment and income and had positive effects on children, especially in respect of school achievement. The mandatory employment services programmes all increased parental employment but without increasing income, and had few effects on children. Effects that were found were mixed. The time - limited programme increased parental employment and had a modest impact on income had very few impacts on children, again mixed. The authors concluded that ‘Although the effects of earnings supplements on children are encouraging, the improvements are modest when considered in the context of these children’s high levels of disadvantage. Even the programmes with the most benefits to children left many families in poverty and many children at risk of school failure and behavior problems.’

Based on evidence from 29 evaluations over 15 years, earliest started 1991. Work first programmes produced larger immediate gains, larger gains for disadvantaged people in the medium term, and cost less. But human capital programmes ultimately produced similar overall gains in employment and earnings. The most effective programmes used a mix of services - including some education and training - with a strong emphasis on work and with individualised assessment at the start. Most people who went to work obtained low-wage or part-time jobs, and some left welfare without finding work. The only programmes that both increased work and made families financially better off were those that provided earnings supplements to low-wage workers. These also showed positive effects for children - for example, higher levels of school achievement. Thus 'the programmes that provided only mandatory employment services increased work and reduced welfare use but usually did not lead to notable improvements in families’ economic circumstances or make children better off than they would have been without the programmes - even after accounting for the EIC. Achieving these goals may require further supplementation of families’ earnings.'

Jean Tansey Knab, Johannes M. Bos, Daniel Friedlander and Joanna W. Weissman (2000) *Do Mandates Matter? The Effects of a Mandate to Enter a Welfare-to-Work Programme*

Based on evaluations of the welfare-to-work programmes in Riverside, California and Grand Rapids, Michigan, early to mid 1990s. The results show that requirements to participate in these can increase employment and earnings and reduce welfare income, independent of actual participation in the programme. Effects of compulsory participation are higher for those who are more ‘job-ready’, for those in labour markets with good labour demand, and where there is strong enforcement with high penalties for non-compliance.

Based on 20 programmes, all including some mandatory participation in welfare to work programmes, the earliest starting in 1985. Five were work-first, seven were human capital oriented and eight used a mix of both, with work first for more job-ready and human capital for others. Most of the programmes increased earnings and reduced welfare receipt overall, but led to no change in combined income from earnings, welfare, and Food Stamps. Participants generally had higher earnings and lower welfare payments than control groups, but similar levels of total incomes. Measures of psychosocial well-being or of barriers to work at start of programme did not seem to affect outcomes. However, the more disadvantaged groups (long-term recipients, high school non-graduates, families with three children or more, and people with no recent work experience) had lower earnings than others. Work first tended to be more effective than human capital programmes for more disadvantaged groups, but those which provided a mix of first activities helped the broadest range of people.


Based on 11 mandatory welfare-to-work programmes in seven locations, 1991 to 1997. About 20 per cent of the sample never worked over the four-year follow-up period. They were older, with low education and basic skills, limited work experience, and high personal barriers to work. Of the 80 per cent who worked at some point in the four years, about a quarter worked for more than 75 per cent of the time. They tended to have started working relatively early in the follow-up period, were most likely to be in their first or second job, and their earnings grew by almost 50 per cent over the four years. They had higher education and skills, more recent work experience and fewer personal barriers to work. They were also most likely to have used transitional Medicaid and transitional childcare. Another quarter worked for 25 per cent or less. They started working later, often had only one short spell in work and had low earnings with no earnings growth. In between were those with multiple employment spells and low to moderate earnings and earnings growth.

Based on 10 random allocation programmes with mandatory employment-related activities, four work-first and six human capital focused, four year follow-up, period 1991 to 1997. All the former and four of six of the latter increased total earnings in the programme groups above the control group levels. Most did so by helping people find work but there were only small effects on measures of stable employment and earnings growth. Portland was the most successful. It combined an employment-focused approach with an emphasis on ‘good’ jobs that lead to both employment and earnings gains. In general, human capital programmes had only small increases in stable employment and almost no effect on earnings growth. Nor was there evidence of ‘delayed effects’, whereby people achieved stable employment later in the follow-up.


Based on 11 programmes over two years, period 1991 to 1996. Work-first programmes produced larger immediate gains in employment and earnings than human capital programmes, but the latter seemed to be catching up by the end of the second year. All reduced receipt of welfare benefits and most increased reliance on earnings, but family net incomes were largely unchanged and most families remained in poverty. There were no consistent effects on children, positive or negative. High enforcement did not necessarily produce the best results but low enforcement produced only small effects. Portland was the most successful and the authors conclude that this was ‘probably due to a combination of factors. While its employment message was strong, the programs offered high-quality education and training services as well as job search, enforced a participation mandate, and had strong job development and placement services. In addition, contextual factors may have contributed to the program’s success. In particular, it worked with a less disadvantaged welfare caseload (relative to the other studied programs) and operated within a good labor market with a relatively high state minimum wage’.

Based on 11 programmes over two years (see above for impacts on participants), 1991 to 1996. None of the programmes had significant effects on fertility, family structure, housing status, mothers’ psychological functioning, stress, or parenting. The children included both pre-school and school-age children. The effects found were infrequent and small. They included both positive and negative effects, but were ‘consistently favorable in the cognitive development area, consistently unfavorable in the health area, and both favorable and unfavorable in the behavioral and emotional adjustment area’. There were no differences across types of programme. Non-experimental methods were used to try and examine the processes involved. The authors tentatively conclude that these results ‘suggest that, for families with all school-age children, programs that place little emphasis on helping welfare recipients obtain good child care or that result in decreases in family income may tend to have unfavorable impacts on children’.


Reviews three schemes: the Minnesota Family Investment Program (started 1994 as pilot, higher earnings disregards, higher basic benefits for those who worked, and mandatory participation in employment-focused for those not working at least 30 hours per week; the Canadian Self-Sufficiency Project (started 1992, voluntary programme, paying substantial monthly earnings supplement for up to three years, to lone parents who left welfare for full-time work of at least 30 hours per week); and the Milwaukee New Hope Project (started 1994, a community-based programme offering earnings supplements, child and health care subsidies for up to three years to those working at least 30 hours per week. Also offered temporary community service jobs). The Minnesota programme includes couples, the others are for lone parents. Evaluated by random assignment. The author concludes that the ‘early results are striking … the three work incentive programs effectively achieved their goals of increasing both work and income among single parents at risk of longer spells of welfare dependency, without incurring many of the unintended negative consequences on employment among the working poor that have plagued past policies. The employment and earnings gains among long-term welfare recipients were among the largest found in any previously evaluated welfare-to-work programs, and the income gains and accompanying poverty reductions were unprecedented’. The most successful were the programmes that combined financial incentives with full-time work conditions or requirements. The decrease in poverty led to improvements in families’ well-being and capacity to save.

Add authors (2000) *Beyond Work First: How to Help Hard-to-Employ Individuals Get Jobs and Succeed in the Workforce*

These are both ‘how to’ guides based on research findings.

### E.3 Other US sites

**Abt Associates, Inc.**

**Website**

http://www.abtassoc.com

**Contents**

Various reports on welfare reform at federal and state level.

**Brookings Institute**

**Website**

http://www.brookings.edu

**Contents**

Various reports including:


**Center for Law and Social Policy**

**Website**

http://www.clasp.org/

**Contents**

Includes reports on the implementation of TANF and on welfare reauthorization.

**Center on Budget and Policy Priorities**

**Website**

http://www.cbpp.org

**Contents**

Research on impact of government programmes on low to moderate income families.

**Children’s Defense Fund**

**Website**

http://www.childrensdefense.org/

**Contents**

Includes reports on the impact of welfare reform on children.

**Child Trends**

**Website**

www.childtrends.org

**Contents**

Includes reports on the impact of welfare reform on children.
Institute for Child and Family Policy, Columbia University

Website
http://www.childpolicy.org/

Contents
Includes reports on the impact of welfare reform on children.

Institute for Research on Poverty at the University of Wisconsin-Madison

Website
http://www.ssc.wisc.edu/irp/

Contents
Poverty and welfare reform, especially in Wisconsin.

Hudson Organisation

Website
http://www.hudson.org/

Contents
Has various units including the Welfare Policy Center.

Johns Hopkins University

Website
http://www.jhu.edu/~welfare/index.html

Contents
Various reports including the study of ‘Welfare, Children and Families’ in three cities.

Joint Center for Poverty Research, Northwestern University/University of Chicago

Website
http://www.jcpr.org/

Contents
Poverty and welfare reform.

Mathematica Policy Research

Website
http://www.mathematica-mpr.com

Contents
Various reports on welfare reform at federal and state level.

Princeton University

Website
http://crcw.princeton.edu/fragilefamilies/

Contents
Reports on ‘The Fragile Families and Child Wellbeing Study’, which follows a birth cohort of (mostly) unwed parents and their children over a four-year period.

Research Forum on Children, Families, and the New Federalism

Website
http://www.researchforum.org/

Contents
Collaborative research on welfare reform, includes a searchable database of summaries of large- and small-scale research projects.
Urban Institute

Website
http://newfederalism.urban.org/

Contents
Assessing the New Federalism, analysing the devolution of social programmes to the states. Also includes information on the National Survey of America’s Families, 1997 and 1999.

University of Michigan

Website
http://www.ssw.umich.edu/poverty/

Contents
Poverty and welfare reform

Welfare Information Network

Website
http://www.welfareinfo.org/

Contents
Welfare information network – clearing house for data, many links to welfare reform sources.
REFERENCES


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<td>2.</td>
<td>Disability, Household Income &amp; Expenditure</td>
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<td>Social Security &amp; Community Care: The case of the Invalid Care Allowance</td>
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<td>Lone Parent Families in the UK</td>
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<td>Incomes In and Out of Work</td>
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<td>Survey of Admissions to London Resettlement Units</td>
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<td>Child Support Unit National Client Survey 1992</td>
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<td>Preparing for Council Tax Benefit</td>
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<td>Employers’ Choice of Pension Schemes: Report of a qualitative study</td>
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<td>GPs and IVB: A qualitative study of the role of GPs in the award of Invalidity Benefit</td>
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<td>Invalidity Benefit: A longitudinal survey of new recipients</td>
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<td>Support for Children: A comparison of arrangements in fifteen countries</td>
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